

West Michigan Risk Management Trust

Table of Contents

INTRODUCTORY SECTION

Transmittal Letter	1-4
Organization Chart	5
Executive Officers and Board of Directors.....	6

FINANCIAL STATEMENTS

Report Letter	1
Management's Discussion and Analysis	2-4
Statement of Net Assets	5
Statement of Revenue, Expenses, and Changes in Net Assets.....	6
Statement of Cash Flows	7
Notes to Financial Statements	8-12
Required Supplemental Schedules	13
Report Letter	14
Schedule of Operations for Year Ended June 30, 2005	Schedule 1
Schedule of Operations and Net Assets by Policy Year From Inception Through June 30, 2005.....	Schedule 2
Schedule of Claims Development.....	Schedule 3

ACTUARIAL FINANCIAL DATA

Statement of Actuarial Opinion.....	1-3
Purpose and Scope.....	4
Distribution and Use	5-6
Findings	7-8
Reliances and Limitations	9-11
Background	12
Data and Information	13
Development Financial Data:	
General Liability:	
Development for Reported Claims.....	14
Development for Paid Claims	15
Development for Number of Reported Claims.....	16
Development for Number of Open Claims.....	17
Automobile Liability	
Development for Reported Claims.....	18
Development for Paid Claim.....	19
Development for Number of Reported Claims.....	20
Development for Number of Open Claims.....	21

West Michigan Risk Management Trust

Table of Contents (Continued)

ACTUARIAL FINANCIAL DATA (Continued)

Automobile Physical Damage:

Development for Reported Claims.....	22
Development for Paid Claims	23
Development for Number of Reported Claims.....	24
Development for Number of Open Claims.....	25

Property Coverage:

Development for Reported Claims.....	26
Development for Paid Claims	27
Development for Number of Reported Claims.....	28
Development for Number of Open Claims.....	29

STATISTICAL DATA

Summary of Ultimate Losses by Year	30
Summary of Ultimate Losses and Limited IBNR by Year Limited to the Loss Fund	31

Multiple Year Loss History:

General Liability:

Loss History	32
Historical Exposure Data	33

Automobile Liability:

Loss History	34
Historical Exposure Data	35

Automobile Physical Damage:

Loss History	36
Historical Exposure Data	37

Property Coverage:

Loss History	38
Historical Exposure Data	39

OTHER INFORMATION

Operating and Demographic Data.....	1-2
Scope of Coverages	3
Excess Insurance Package	4-5
Gallagher Excess Insurance Package	6
Definitions	7



Introductory Section

September 29, 2005



**West Michigan
Risk Management
Trust**

Executive Board

Connie Gillette
Chairperson

Dave Myers
Vice-Chairperson

Catherine Botts
Secretary

Steve Lampe
Treasurer

Member Districts

Byron Center
Caledonia
Comstock Park
Delton-Kellogg
East Grand Rapids
Forest Hills
Fruitport
Grandville
Godfrey-Lee
Gull Lake
Jenison
Kalamazoo RESA
Kent City
Kentwood
Lowell
Northview
Rockford
South Haven
Sparta
Spring Lake
Thornapple-Kellogg
Wayland Union
Wyoming
Zeeland

Dear Pool Member:

The West Michigan Risk Management Trust (WMRMT) is an organization comprised of member school districts located in West Michigan. Formed in July 1990 to provide casualty and liability insurance. The membership has increased from the original 13 member districts to the current 24 members. The WMRMT insurance program also includes boiler and machinery coverage, risk management, third-party administration of claims, and loss prevention programs.

The WMRMT is a trust voluntarily established pursuant to Section 2 of Chapter 124 (P.A. 1951, No. 35, Section 2) and Section 5 of Chapter 124 (P.A. 1982, No. 138, Section 5) of the Michigan Compiled Laws for the purpose of providing participating school districts such services and security as are approved by the Board of Directors and permitted by the laws of the State of Michigan. Article 5 of the Interlocal Agreement and Bylaws established a Board of Directors and Officers of the Pool. Bylaws stipulate that the Board of Directors would determine the general policy of the Pool and that the chairperson would serve as the chief policy officer of the Pool.

In the fall of 1989, the Kent County Superintendent's Association expressed an interest in forming a self-insurance pool for the Kent County area. The Kent County Superintendent's Association is an organization located in West Michigan that includes all K-12 school districts in Kent County.

The WMRMT was established to create a cooperative atmosphere in which to provide:

- Increased or improved property and liability coverage's
- Reduced premiums
- Improved loss prevention programs
- Increased protection against extraordinary swings in insurance premiums
- The ability of Pool members to share in the interest income from their premiums
- Security against paying premiums several times greater than actual losses

Based on current entry procedures, new prospective members to WMRMT submit five-year loss histories with substantiating data along with exposure information on property values, vehicles, teachers, and student populations. The Executive Committee reviews this information to determine eligibility and compatibility with the current Pool members, with a 35 percent loss ratio as an established criteria for admissions, and makes a recommendation to the Board of Directors. The geographic scope of the trust includes an approximate 60-mile radius from Grand Rapids, Michigan.

West Michigan Risk Management Trust

Financial Management

WMRMT is a risk-sharing, self-insurance pool with a self-insurance retention (SIR) of \$175,000 per occurrence, which is protected by excess insurance of adequate amounts over the SIR. The loss fund contribution is based on property values, vehicles, teachers, student population, and other pertinent data as reviewed annually. The loss fund is secured by unlimited aggregate coverage in excess of the fund in accordance with Section 7 (a)(iv) of P.A. 138 of 1982 of the Michigan Compiled Laws.

The treasurer of WMRMT serves as a fiscal agent for the pool and is responsible for setting up and maintaining the appropriate accounting system for the pool operations.

WMRMT accounting records for general operations are maintained on an accrual basis, with the contributions (assessments) from members recorded as revenue when submitted and measurable expenditures are recorded when the services are received and the liabilities incurred.

Article 8 of the bylaws provides that the board of directors shall approve a preliminary budget for the administration of WMRMT by June 30 of each year. Upon review and submission, the board shall annually adopt the budget, which includes the annual contributions (assessments) to the member school districts.

Financial reports are produced showing budget and actual expenditures by line item. These reports are reviewed monthly by the finance committee and the board of directors. Individual line items are reviewed and analyzed for budgetary compliance.

Bylaws and state statutes require annual audits of the books of WMRMT. Plante & Moran, PLLC has been contracted to provide the auditing service. Tillinghast-Towers Perrin has been contracted to provide an actuarial service as required by the State. The use of accounting principles generally accepted in the United States of America and Governmental Accounting Standard Board (GASB) No. 10 and GASB No. 30, an amendment of GASB No. 10, are contained in this report.

West Michigan Risk Management Trust

Financial Management (Continued)

The first year aggregate loss fund was set at \$335,000 and funded at the 100 percent level, the second year, 1991-1992, aggregate loss fund was set at \$333,663 and funded at the 100 percent level. The third year, 1992-1993, aggregate loss fund was set at \$339,132 and funded at the 100 percent level. The fourth year, 1993-1994, aggregate loss fund was set at \$405,000 and funded at the 100 percent level. The fifth year, 1994-1995, aggregate loss fund was set at \$453,000 and funded at the 100 percent level. The sixth year, 1995-1996, aggregate loss fund was set at \$450,000 and funded at the 100 percent level. The seventh year, 1996-1997, aggregate loss fund was set at \$532,500 and funded at the 100 percent level. The eighth year, 1997-1998, aggregate loss fund was set at \$650,000 and funded at the 100 percent level. The ninth year, 1998-1999, aggregate loss fund was set at \$650,000 and funded at \$620,000. The tenth year, 1999-2000, the aggregate loss fund was set at \$725,000 and funded at \$650,000. The eleventh year, 2000-2001, the aggregate loss fund was set at \$775,000 and funded at \$700,000. The twelfth year, 2001-2002, the aggregate loss fund was set at \$775,000 and funded at the 100 percent level. The thirteenth year, 2002-2003, the aggregate loss fund was set at \$974,000 and funded at the 100 percent level. The fourteenth year, 2003-2004, the aggregate loss fund was set at \$1,000,000 and funded at the 99.9 percent level, and in the fifteenth year, 2004-2005, the aggregate loss fund was set at \$1,012,692 and funded at the 100 percent level.

Fund balances consisting of claim reserves and bank cash balances are invested in order to maximize earnings in each fund. WMRMT's interlocal agreement states that the investments shall be in accordance with those practices permitted by Michigan School Law as permitted under the Insurance Code of 1956, Act 219 of the Public Acts of 1956, as amended. All investments are made in recognition of liquidity needs for operating expenses and claim payments.

Revenue for the 2004-2005 fiscal year totaled \$3,173,530, of which \$37,176 was interest earnings.

Expenses for the 2004-2005 fiscal year totaled \$2,867,034 as follows:

Excess insurance premiums	\$ 1,705,892
Provision for claims	657,058
Contract services	310,819
Operating expenses	193,265

Each year, funding is accomplished by allocation of cost per member, and the member costs are developed through a formula that accounts for factors such as property values, student and vehicle counts, and loss experience. Each member is responsible for their portion of the loss fund on a proactive (up-front) basis. Since the losses continue to be funded at a maximum exposure level, there are no requirements for post-loss funding.

West Michigan Risk Management Trust

Cost Containment

WMRMT's claims/risk management committee evaluates claims and makes recommendations to the Board of Directors on policies or procedures needed to reduce risk in certain areas. The Committee also arranges loss prevention management seminars.

Using contracted services for loss prevention, third-party claims administration, and risk management has also allowed the trust to control claims and costs.

WMRMT also has contractual arrangements with Gallagher Basset Services, Inc. for the third-party claim administration and management. This agreement calls for claims management, loss control assistance, monthly loss runs, and other claims administration services, including regular attendance at claim committee meetings and full board meetings.

WMRMT has a contractual arrangement with Arthur J. Gallagher & Co. for renewal data gathering, market submission, proposal summaries, and other risk management administrative support to the board. These relationships are integral to the operation of WMRMT.

Summary

The independent auditor's report issued by Plante & Moran, PLLC and the actuary report provided by Tillinghast-Towers Perrin is included in this report.

This report supports the philosophy of providing improved coverages and reducing costs that lead to the creation of WMRMT.

WMRMT continues on a course of controlled growth and expanded loss control with a focus on reducing losses.

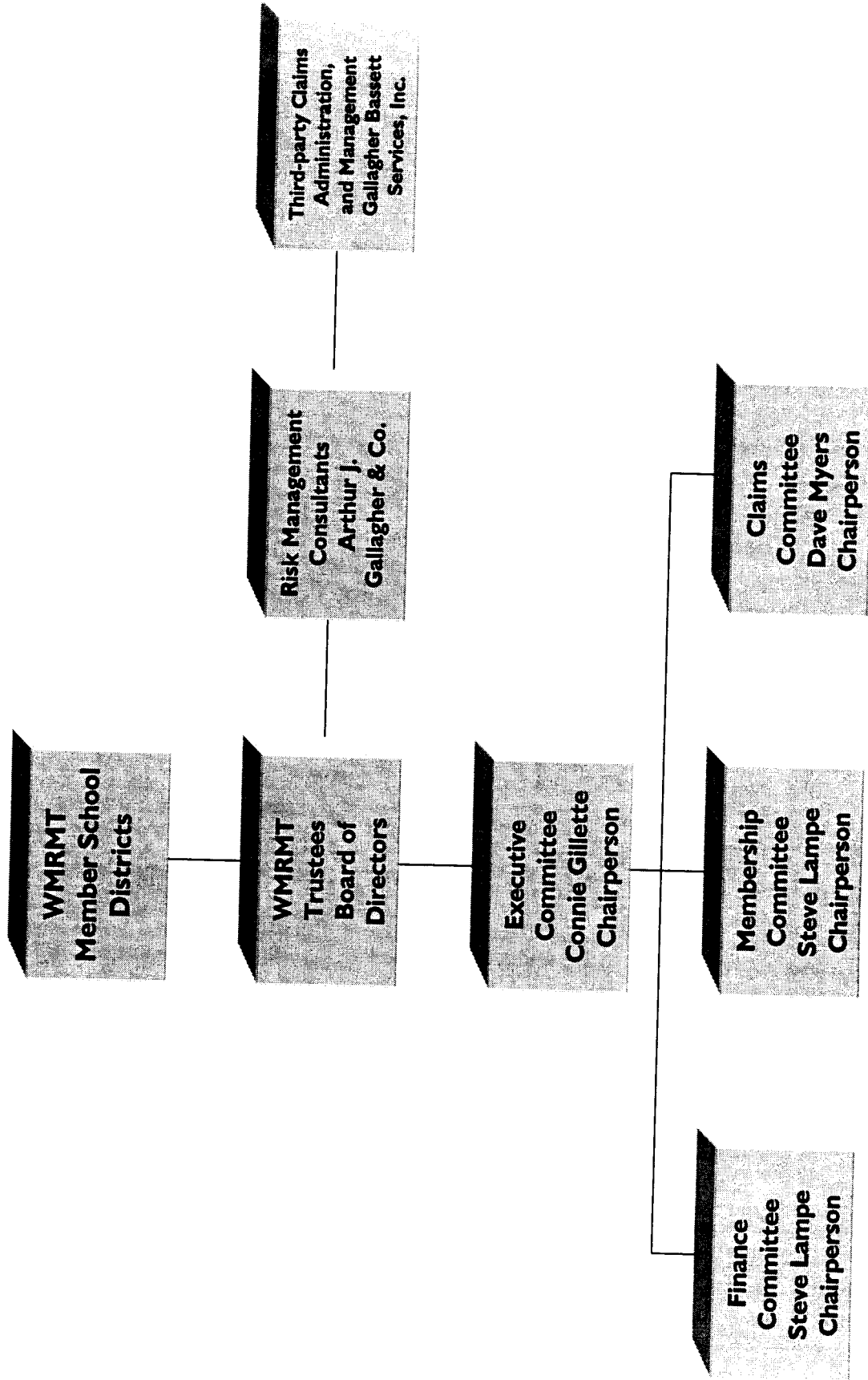
Sincerely,



Connie Gillette, Chairperson
Executive Committee
West Michigan Risk Management Trust

West Michigan Risk Management Trust

Organization Chart



West Management Risk Management Trust

Executive Officers and Board of Directors As of June 30, 2005

EXECUTIVE COMMITTEE

Board Chairperson Connie Gillette – Lowell
Board Vice Chairperson Dave Myers – South Haven
Board Secretary Catherine Botts – Byron Center
Board Treasurer Steve Lampe – Kent City
Board Chairperson of Claims/
Risk Management Committee Dave Myers – South Haven
Chairperson of Membership/Finance Steve Lampe – Kent City
Committee

BOARD OF DIRECTORS

BOARD MEMBERS

DISTRICTS

Catherine Botts	Byron Center
Jim Olsen	Caledonia
Jill Kasul	Comstock Park
Ron Archer	Delton-Kellogg
Doug Derks	East Grand Rapids
Tim Raymer	Forest Hills
Pam Kihn.....	Fruitport
James Cassis.....	Godfrey Lee
Deb Reese	Grandville
Lisa Anderson	Gull Lake
Kim Hansen	Jenison
Holly Norman.....	Kalamazoo RESA
Steve Lampe	Kent City
Steve Zakem.....	Kentwood
Connie Gillette.....	Lowell
John Zielinski.....	Northview
Mike Cuneo	Rockford
J. David Myers.....	South Haven
Randy Neelis	Sparta
Deb Miller	Spring Lake
Chris Marcy	Thornapple Kellogg
Marc Faber	Wyoming
David Van Ginhoven	Zeeland
Jim English.....	Wayland Union

Financial Statements

West Michigan Risk Management Trust

Financial Report
with Required Supplemental Schedules
June 30, 2005

West Michigan Risk Management Trust

Contents

Report Letter	I
Management's Discussion and Analysis	2-4
Financial Statements	
Statement of Net Assets	5
Statement of Revenue, Expenses, and Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8-12
Required Supplemental Schedules	13
Report Letter	14
Schedule of Operations for the Year Ended June 30, 2005	Schedule 1
Schedule of Operations and Net Assets by Policy Year from Inception Through June 30, 2005	Schedule 2
Schedule of Claims Development	Schedule 3

Independent Auditor's Report

To the Board of Directors
West Michigan Risk Management Trust

We have audited the balance sheet of West Michigan Risk Management Trust as of June 30, 2005 and 2004 and the related statements of revenue, expenses, and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Michigan Risk Management Trust at June 30, 2005 and 2004 and the changes in financial position, including cash flows, for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board (GASB). We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Plante & Moran, PLLC

September 29, 2005

West Michigan Risk Management Trust

Management's Discussion and Analysis

Using this Annual Report

This annual report consists of the statement of net assets, the statement of revenue, expenses, and changes in net assets, and the statement of cash flows. Along with the footnotes, they provide detailed financial information concerning the West Michigan Risk Management Trust (the "Trust"). This section, the management's discussion and analysis, is intended to provide an overview of the Trust's financial condition, results of operations, and other key information.

Financial Overview

In analyzing the Trust's financial position, it is important to recognize the mission of the Trust. From a financial perspective, the Trust's general objectives are to formulate, develop, and administer, on behalf of the members, a program of insurance, to obtain lower costs for that coverage, and develop a comprehensive loss prevention program. As of June 30, 2005, 24 Michigan school districts participate in the Trust.

The key financial statistics for the Trust would be based on total anticipated claims to be paid in a specific policy year as compared to the contributions received from members, otherwise known in the industry as a "loss ratio."

	Policy Year Ended		
	2005	2004	2003
Total contributions	\$ 3,130,811	\$ 3,307,375	\$ 2,952,320
Total estimated claim payments	600,999	999,999	673,233
Loss ratio	19.2%	30.2%	22.8%

Total estimated claim payments for each policy year consist of claim payments and an estimate of unsettled claims estimated by a third-party administrator and an estimate of claims incurred but not reported by an independent actuary. The methods of making such estimates are continuously reviewed by management, and according to industry practice, any changes to these estimates will have an impact on reported results of future periods. Claim payments can change significantly from period to period because the ultimate amount paid for claims is dependent on the frequency of claims filed as well as other events such as jury decisions, court interpretations, and legislative changes.

West Michigan Risk Management Trust

Management's Discussion and Analysis (Continued)

Financial Overview (Continued)

To reduce the Trust's exposure to large specific claims, the Trust enters into excess insurance contracts to recover specific claim losses in excess of stated amounts in the excess insurance contract. Currently, the per claim limit totals \$175,000.

The Trust's total assets, liabilities, and net assets have fluctuated from a year ago, which is due to the 13 percent decrease in total expenses in 2005. One hundred percent of assets consist of cash and cash equivalents. Approximately 72 percent of total liabilities consist of reserve for claims. Due to the nature of property/casualty claims and the related reporting and settlement processes of claims, it is anticipated, based on historical averages of the Trust, that approximately 44 percent of the estimated reserve for claims will be settled within one year. The analysis below presents a comparison of the Trust's current year financial position to the prior year:

	2005	2004	% Change
Total assets (all current)	<u>\$ 2,812,491</u>	<u>\$ 2,200,336</u>	27.8%
Current liabilities	\$ 877,612	\$ 519,688	68.9%
Long-term liabilities	<u>593,990</u>	<u>646,255</u>	-8.1%
Total liabilities	1,471,602	1,165,943	26.2%
Net assets (unrestricted)	<u>1,340,889</u>	<u>1,034,393</u>	29.6%
Total liabilities and net assets	<u>\$ 2,812,491</u>	<u>\$ 2,200,336</u>	27.8%

West Michigan Risk Management Trust

Management's Discussion and Analysis (Continued)

Financial Overview (Continued)

The following table shows the major components of income from operations for the current year, compared to the prior year:

	2005	2004	% Change
Income			
Member contributions	\$ 3,130,811	\$ 3,307,375	-5.3%
Interest income	37,176	20,390	82.3%
Other income	5,543	1,503	268.8%
Total income	3,173,530	3,329,268	-4.7%
Expenses			
Total provision for claims	657,058	944,421	-30.4%
Total operating expenses	2,209,976	2,346,170	-5.8%
Total expenses	2,867,034	3,290,591	-12.9%
Total Increase in Net Assets	\$ 306,496	\$ 38,677	692.5%

The decrease in operating expenses is a result of a decrease in the excess insurance premiums for 2005. Total provision for claims, as noted above, is dependent on many factors and will change from year to year based on these factors.

Economic Factors and Next Year's Rates

The expected rates charged by the Trust for member contributions for the next fiscal year are expected to decrease approximately 5 percent. All other operating expenses are expected to remain consistent with amounts reported in 2005. The provision for claim payments is expected to be consistent with historical trends, and we are unaware of any economic events or legislative events that would have significant impact on the operations of the Trust.

Contacting the Trust's Management

This financial report is intended to provide our members and regulators with a general overview of the accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact Steve Lampe, finance manager, West Michigan Risk Management Trust, at 616-678-7714.

West Michigan Risk Management Trust

Statement of Net Assets

	June 30	
	2005	2004
Assets		
Cash and cash equivalents (Note 2)	<u>\$ 2,812,491</u>	<u>\$ 2,200,336</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 4,048	\$ 20,138
Deferred revenue	414,564	5,550
Current portion of reserve for claims (Note 3)	<u>459,000</u>	<u>494,000</u>
Total current liabilities	877,612	519,688
Long-term Liabilities - Reserve for claims - Net of current portion (Note 3)		
	<u>593,990</u>	<u>646,255</u>
Total liabilities	1,471,602	1,165,943
Net Assets - Unrestricted	<u>1,340,889</u>	<u>1,034,393</u>
Total liabilities and net assets	<u>\$ 2,812,491</u>	<u>\$ 2,200,336</u>

West Michigan Risk Management Trust

Statement of Revenue, Expenses, and Changes in Net Assets

	Year Ended June 30	
	2005	2004
Income		
Member contributions	\$ 3,130,811	\$ 3,307,375
Interest income	37,176	20,390
Other income	5,543	1,503
Total income	3,173,530	3,329,268
Expenses		
Provision for claims (Note 3):		
Payments	744,322	322,592
(Deduction) addition to reserve for claims	(87,264)	621,829
Reinsurance premiums (Note 4)	1,705,892	1,881,095
Service agent fees	210,908	202,395
Claims management fees	99,911	98,939
Administrative expenses:		
Professional fees	28,694	20,600
Appraisal service	2,600	2,729
MCCA assessments	150,121	114,524
Loss control	-	3,801
Other	11,850	22,087
Total expenses	2,867,034	3,290,591
Increase in Net Assets	306,496	38,677
Net Assets - Beginning of year	1,034,393	995,716
Net Assets - End of year	<u>\$ 1,340,889</u>	<u>\$ 1,034,393</u>

West Michigan Risk Management Trust

Statement of Cash Flows

	Year Ended June 30	
	2005	2004
Cash Flows From Operating Activities		
Cash received from members	\$ 3,539,825	\$ 3,310,764
Cash paid for claims	(744,322)	(322,592)
Cash paid to suppliers and others	(2,220,524)	(2,348,866)
Net cash provided by operating activities	574,979	639,306
Cash Flows From Investing Activities - Interest income received	37,176	20,390
Net Increase in Cash and Cash Equivalents	612,155	659,696
Cash and Cash Equivalents - Beginning of year	2,200,336	1,540,640
Cash and Cash Equivalents - End of year	<u>\$ 2,812,491</u>	<u>\$ 2,200,336</u>

A reconciliation of increase in net assets to net cash flows provided by operating activities is as follows:

	Year Ended June 30	
	2005	2004
Increase in net assets	\$ 306,496	\$ 38,677
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Interest income	(37,176)	(20,390)
Decrease in assets - Accounts receivable	-	3,389
Increase (decrease) in liabilities:		
Accounts payable	(16,090)	(4,200)
Deferred revenue	409,014	-
Reserves for claims	(87,265)	621,830
Net cash provided by operating activities	<u>\$ 574,979</u>	<u>\$ 639,306</u>

There were no significant noncash investing, capital, or financing activities during the years ended June 30, 2005 and 2004.

West Michigan Risk Management Trust

Notes to Financial Statements June 30, 2005 and 2004

Note I - Nature of Entity and Significant Accounting Policies

West Michigan Risk Management Trust (the "Trust") was established July 1, 1990, under the laws of the State of Michigan as a governmental group risk retention trust. The Trust provides a single multi-peril contract under which the members are covered for various types of risk including: property (all risk), general, automobile liability, loss and physical damage, mobile equipment, EDP software, fine arts and other miscellaneous property, crime, and boiler machinery. Membership in the Trust is open to all school districts in western Michigan, of which 24 currently participate.

The Trust provides risk management, consisting of compensating members for losses, costs, and expenses related to the stated coverage's and using the funds contributed by members to defend any member of the trust against stated liability or loss. Membership in the Trust is considered after a formal request supported by a resolution from the Board of Education of the applying school district. Any member joining the Trust is required to remain a member for a minimum of three full years. A member may withdraw from the Trust after the member's initial three-year term by giving nine months' prior written notice.

Trust underwriting and rate setting policies are established after consultation with excess insurance underwriters and actuaries. Members are given 30 days notice to make annual contributions to the Trust. The annual contributions are based on a final budget approved by the board of directors.

The Trust uses the accrual method of accounting. Contributions from members, which are calculated by the Trust, are recorded as revenue. Claim losses, along with excess insurance premiums, service fees, training program expense, and administrative expenses, are recorded as expenses. The estimated total cost of claim losses is accrued based on the estimate of claims that ultimately will be filed for an insurance period. The revenue, including investment income, and expenses for each self-insurance year are accounted for separately to determine excess equity or funding deficits. To the extent contributions finally are deemed to exceed claim losses and other costs, excess amounts will be refunded to members based on total premiums paid in an individual policy year. If necessary, funding deficits in individual policy years will be recovered through additional member contributions assessed to members participating in that policy year.

Cash and Cash Equivalents - The Trust considers all highly liquid investments purchased with a maturity of three months or less to be cash and cash equivalents.

West Michigan Risk Management Trust

Notes to Financial Statements June 30, 2005 and 2004

Note 1 - Nature of Entity and Significant Accounting Policies (Continued)

Reserve for Claims - The reserve for claims represent the estimated liability for unpaid insurance losses and related expenses from reported claims and claims incurred but not reported. Changes to estimates are reflected in earnings currently.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures in the financial statements. Actual results could differ from those estimates. Significant estimates exist relating to the reserve for claims as described in Note 3.

Tax Status - Premium and investment income of the Trust is tax exempt under Section 115 of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the financial statements.

Reclassification - Certain 2004 amounts have been reclassified to conform to the 2005 presentation.

Note 2 - Deposits

The Trust's investment policy authorizes the Trust to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan.

The Trust designated Comerica Bank for the deposit of its funds.

The Trust's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Trust's deposits may not be returned to it. The Trust does not have a deposit policy for custodial credit risk of bank deposits. At year end, the Trust's deposit balance of \$2,844,461 had \$2,744,461 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. The Trust believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Trust evaluates each financial institution with which it deposits trusts and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

West Michigan Risk Management Trust

Notes to Financial Statements June 30, 2005 and 2004

Note 3 - Reserve for Claims

The estimated reserve for unsettled claims filed is provided by the third-party administrator. The reserve for claims incurred but not reported is estimated by an independent actuary based upon the Trust's historical experience of claims incurred prior to June 30, 2005. The estimates reflect the best judgment as to the potential for claims to increase beyond the amounts already paid and reserved on filed claims. It is at least reasonably possible that a material change in the estimate could occur within the near term and thus the actual claims paid may be substantially different than these estimates. Any future adjustments to these amounts will affect the reported results of future periods.

The following summarizes the reserve for claims at June 30, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Claims filed at June 30 that remain unsettled as of that date	\$ 412,158	\$ 608,304
Estimate of claims relating to periods prior to June 30 not filed as of that date that are expected to be filed in the future	<u>640,832</u>	<u>531,951</u>
Total	<u>\$ 1,052,990</u>	<u>\$ 1,140,255</u>

West Michigan Risk Management Trust

Notes to Financial Statements June 30, 2005 and 2004

Note 3 - Reserve for Claims (Continued)

The following represents changes in reserve for claims for the years ended June 30, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Reserve for Claims - Beginning of year	\$ 1,140,255	\$ 518,425
Incurred Claims and Claims Adjustment Expenses		
Provision for claims in the current year	600,999	906,000
Increase in provision for claims incurred incurred in prior years	<u>56,058</u>	<u>38,422</u>
Total incurred claims and claims adjustment expenses	657,057	944,422
Payments		
Claims and claims adjustment expenses paid for claims incurred in the current year	180,928	286,122
Claims and claims adjustment expenses paid for claims incurred in prior years	<u>563,394</u>	<u>36,470</u>
Total payments	<u>744,322</u>	<u>322,592</u>
Reserve for Claims - End of year	<u>\$ 1,052,990</u>	<u>\$ 1,140,255</u>
The following, based on historical trends of the Trust, summarizes the anticipated settlement of claims at June 30, 2005 and 2004:		
	<u>2005</u>	<u>2004</u>
Claims anticipated to be settled within one year	\$ 459,000	\$ 494,000
Claims anticipated to be settled in excess of one year	<u>593,990</u>	<u>646,255</u>
Total reserve for claims	<u>\$ 1,052,990</u>	<u>\$ 1,140,255</u>

West Michigan Risk Management Trust

Notes to Financial Statements June 30, 2005 and 2004

Note 4 - Excess Insurance Coverage

The Trust uses excess insurance agreements to reduce its exposure to large aggregate and specific losses. These agreements allow the Trust to recover losses in excess of aggregate and specific coverage's specified in the agreements; however, the primary liability of the Trust is not discharged for the risks covered by these agreements. The Trust does not report claims liabilities expected to be paid under these agreements unless it is probable that those liabilities will not be covered and paid by excess insurance agreements. Premiums ceded under these agreements during the years ended June 30, 2005 and 2004 were \$1,916,800 and \$2,083,490, respectively. Amounts deducted from reserve for claims for expected recoveries under these contracts totaled approximately \$240,000 and \$125,000 at June 30, 2005 and 2004, respectively.

Note 5 - Related Party Transaction

In June 2005, the board of directors approved a \$300,000 loan to a related party, West Michigan Health Insurance Pool. The amount advanced took place in July 2005. This is a no interest loan, which will be repaid to the Trust in November 2005.

Required Supplemental Schedules

To the Board of Directors
West Michigan Risk Management Trust

We have audited the financial statements of West Michigan Risk Management Trust for the years ended June 30, 2005 and 2004. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. This information for the years ended June 30, 2005 and 2004 has been subjected to the procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The schedules of operations and claims development from June 30, 1996 through June 30, 2005 have been prepared from financial statements for each of the respective periods shown in the schedule of operations and net assets by policy year and schedule of claims development as updated for subsequent activity. We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements from which the schedule of operations and net assets by policy year and schedule of claims development were derived. In our opinion, the schedule of operations and net assets by policy year and schedule of claims development are fairly stated in all material respects in relation to the financial statements from which they were derived.

Plante & Moran, PLLC

September 29, 2005

West Michigan Risk Management Trust

Schedule of Operations for the Year Ended June 30, 2005

	Prior Years	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	Total
Income												
Member contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,130,811	\$ 3,130,811
Investment income	4,593	(1,098)	2,336	285	912	740	2,109	2,221	6,174	7,145	11,759	37,176
Other income	-	-	-	-	-	-	-	-	-	-	5,543	5,543
Total income	4,593	(1,098)	2,336	285	912	740	2,109	2,221	6,174	7,145	3,148,113	3,173,530
Expenses												
Provision for claims:												
Payments	-	-	-	-	-	90,130	-	106,729	136,473	230,062	180,928	744,322
Addition (reduction) to reserve for claims	-	-	-	-	(3,920)	(100,768)	(18,381)	(50,457)	(197,746)	(136,063)	420,071	(87,264)
Excess insurance premiums	-	-	-	-	-	-	-	-	-	-	1,705,892	1,705,892
Service agent fees	-	-	-	-	-	-	-	-	-	-	210,908	210,908
Claims management fees	-	-	-	-	-	-	-	-	-	-	99,911	99,911
Administrative expenses:												
Professional fees	-	-	-	-	-	-	-	-	-	-	28,694	28,694
Appraisal service	-	-	-	-	-	-	-	-	-	-	2,600	2,600
MCCA assessments	-	-	-	-	-	-	-	-	-	-	150,121	150,121
Other	-	-	-	-	-	-	-	-	-	-	11,850	11,850
Total expenses	-	-	-	-	(3,920)	(10,638)	(18,381)	56,272	(61,273)	93,999	2,810,975	2,867,034
Excess of Income Over (Under) Expenses	\$ 4,593	\$ (1,098)	\$ 2,336	\$ 285	\$ 4,832	\$ 11,378	\$ 20,490	\$ (54,051)	\$ 67,447	\$ (86,854)	\$ 337,138	\$ 306,496

West Michigan Risk Management Trust

Schedule of Operations and Net Assets by Policy Year From Inception Through June 30, 2005

	Prior Years	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	Total
Income												
Member contributions	\$ 5,883,583	\$ 1,458,794	\$ 1,584,536	\$ 1,663,462	\$ 1,600,974	\$ 1,654,179	\$ 1,688,446	\$ 2,124,218	\$ 2,952,320	\$ 3,307,375	\$ 3,130,811	\$ 27,048,698
Investment income	307,155	(1,808)	75,807	28,742	15,812	61,889	32,528	18,080	20,340	13,549	11,759	583,853
Other income	-	-	-	11,700	1,886	9,170	10,200	4,049	3,534	1,503	5,543	47,585
Total income	6,190,738	1,456,986	1,660,343	1,703,904	1,618,672	1,725,238	1,731,174	2,146,347	2,976,194	3,322,427	3,148,113	27,680,136
Expenses												
Provision for claims:												
Payments	1,657,081	450,000	413,454	609,153	520,257	661,992	575,794	570,735	600,658	516,184	180,928	6,756,236
Addition to reserve for claims	-	-	-	-	-	4,925	-	71,603	72,575	483,815	420,071	1,052,989
Excess insurance premiums	3,690,121	957,161	985,493	973,466	896,904	896,147	748,472	1,070,655	1,561,131	1,881,095	1,705,892	15,366,537
Service agent fees	-	-	-	-	-	-	161,500	171,400	196,500	202,395	210,908	942,703
Claims management fees	243,786	68,787	77,511	72,688	119,069	89,447	63,533	96,168	84,067	98,939	99,911	1,113,906
Training program	-	23,292	-	-	1,241	5,096	3,642	-	-	-	-	33,271
Administrative expenses:												
Professional fees	73,255	11,653	16,165	16,489	17,635	19,302	17,600	18,975	21,007	20,601	28,694	261,376
Appraisal service	21,220	4,575	3,180	2,670	2,400	2,555	2,825	2,950	-	2,729	2,600	47,704
MCCA assessments	-	-	-	-	-	-	-	59,842	79,138	114,524	150,121	403,625
Loss control	-	-	-	-	-	-	7,760	7,775	4,268	3,801	-	23,604
Other	23,021	12,222	14,140	11,091	2,447	3,023	14,264	4,832	31,864	22,087	11,850	150,841
Total expenses	5,708,484	1,527,690	1,509,943	1,685,557	1,559,953	1,682,487	1,595,390	2,074,935	2,651,208	3,346,170	2,810,975	26,152,792
Excess of Income Over (Under) Expenses	482,254	(70,704)	150,400	18,347	58,719	42,751	135,784	71,412	324,986	(23,743)	337,138	1,527,344
Premium Surplus Returned to Members	186,455	-	-	-	-	-	-	-	-	-	-	186,455
Net Assets - End of year	\$ 295,799	\$ (70,704)	\$ 150,400	\$ 18,347	\$ 58,719	\$ 42,751	\$ 135,784	\$ 71,412	\$ 324,986	\$ (23,743)	\$ 337,138	\$ 1,340,889

West Michigan Risk Management Trust

Schedule of Claims Development

Claims Development Information

The following table illustrates how the Trust's earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Trust as of the end of each of the past ten years. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, and net earned contribution revenue and reported investment revenue. (2) This line shows the fiscal year's other operating costs of the Trust, including overhead and claims expense not allocable to individual claims. (3) This line shows the Trust's gross incurred claims and allocated claim adjustment expenses, claims assumed by reinsurers, and net incurred claims and allocated adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year). (4) This section of ten rows shows the cumulative net amounts paid as of the end of the successive years for each policy year. (5) This line shows the latest re-estimation amount of claims assumed by reinsurers as of the end of the current year for each accident year. (6) This section of ten rows shows how each policy year's net incurred claims increased or decreased as of the end of successive years. (This annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known). (7) This line compares the latest re-estimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of net claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts commonly is used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

	Year Ended June 30									
	2005	2004	2003	2002	2001	2000	1999	1998	1997*	1996
(1) Required contributions and interest income:										
Earned	\$ 3,142,570	\$ 3,313,779	\$ 2,961,537	\$ 2,133,333	\$ 1,710,092	\$ 1,683,592	\$ 1,608,413	\$ 1,671,776	\$ 1,622,062	\$ 509,122
Ceded	1,705,892	2,083,490	1,757,631	1,242,055	909,972	896,147	896,904	973,466	985,493	-
Net earned	1,436,678	1,230,289	1,203,906	891,278	800,120	787,445	711,509	698,310	636,569	509,122
(2) Unallocated expenses	193,265	262,680	220,344	190,542	109,624	119,423	142,792	102,938	110,996	120,529
(3) Estimated claims and expenses, end of policy year:										
Incurred	600,999	1,031,000	1,144,250	600,708	647,844	489,735	620,246	420,993	516,357	450,000
Ceded	-	125,000	325,250	-	-	-	-	-	-	-
Net incurred	600,999	906,000	819,000	600,708	647,844	489,735	620,246	420,993	516,357	450,000

West Michigan Risk Management Trust

Schedule of Claims Development (Continued)

	Year Ended June 30									
	2005	2004	2003	2002	2001	2000	1999	1998	1997*	1996
(4) Net paid (cumulative) as of:										
End of policy year										
One year later	\$ 180,928	\$ 286,122	\$ 454,491	\$ 319,738	\$ 399,174	\$ 196,865	\$ 238,660	\$ 160,260	\$ 198,398	\$ 197,988
Two years later	-	516,184	464,185	453,616	486,870	367,349	490,556	590,870	413,454	450,000
Three years later	-	-	600,658	464,006	573,336	540,415	511,175	603,543	413,454	450,000
Four years later	-	-	-	570,735	575,794	557,934	520,257	609,137	413,454	450,000
Five years later	-	-	-	-	575,794	571,862	520,257	609,153	413,454	450,000
Six years later	-	-	-	-	-	661,992	520,257	609,153	413,454	450,000
Seven years later	-	-	-	-	-	-	520,257	609,153	413,454	450,000
Eight years later	-	-	-	-	-	-	-	609,153	413,454	450,000
Nine years later	-	-	-	-	-	-	-	609,153	413,454	450,000
(5) Reestimated ceded claims and expenses	-	200,000	610,038	-	-	-	-	-	413,454	450,000
(6) Reestimated net incurred claims and expenses:										
End of policy year										
One year later	600,999	906,000	819,000	600,708	647,844	489,735	620,246	420,996	516,357	450,000
Two years later	-	999,999	734,506	531,248	565,441	493,499	591,809	650,000	483,939	450,000
Three years later	-	-	673,233	586,066	601,175	611,473	568,577	640,482	440,793	450,000
Four years later	-	-	-	642,338	594,175	602,458	531,522	621,185	425,405	450,000
Five years later	-	-	-	-	575,794	677,555	524,177	613,978	418,834	450,000
Six years later	-	-	-	-	-	666,917	524,177	609,153	415,845	450,000
Seven years later	-	-	-	-	-	-	520,257	609,153	413,454	450,000
Eight years later	-	-	-	-	-	-	-	609,153	413,454	450,000
Nine years later	-	-	-	-	-	-	-	-	413,454	450,000
(7) Increase (decrease) in estimated net incurred claims and expenses from end of policy year	-	93,999	(145,767)	41,630	(72,050)	177,182	(99,989)	188,160	(102,903)	-

* West Michigan Risk Management Trust adopted GASB Statement No. 30, Risk Finance Omnibus, an amendment of GASB No. 10, on a prospective basis.

Actuarial Financial Data

STATEMENT OF ACTUARIAL OPINION


**TOWERS
PERRIN**
TILLINGHAST

Financial Statement of the West Michigan Risk Management Trust

For the Year Ended June 30, 2005

Page 1 of 3

IDENTIFICATION

I, Jeremy P. Pecora, am associated with the Tillinghast business of Towers Perrin. I am a member of the American Academy of Actuaries and meet its qualification standards for signing statements of actuarial opinion regarding property and casualty insurance company statutory Annual Statements. I am a Fellow of the Casualty Actuarial Society. I have been requested by the West Michigan Risk Management Trust ("Trust") to render this opinion.

SCOPE

I have examined the reserves listed below, as shown in the Financial Statement of the Trust as prepared for filing with state regulatory officials, as of June 30, 2005.

Reserve for Claims	\$1,052,990
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My examination of the loss and allocated loss adjustment expense reserves was based upon data and related information prepared by the Trust. In this regard, I relied on Judi Dean, Administrator of the Trust, as to the accuracy and completeness of the data. I evaluated the data used directly in my analysis for reasonableness and consistency. My evaluation did not reveal any data points materially affecting my analysis that fell outside of the range of reasonable possibilities. In performing this evaluation, I have assumed that the Trust (a) used its best efforts to supply accurate and complete data and (b) did not knowingly provide any inaccurate data. In other respects, my examination included the use of such actuarial assumptions and methods and such tests of calculations as I considered necessary.

My review was limited to the item above, and did not include an analysis of any income statement items or other balance sheet items. My opinion on the reserves is based upon the assumption that all reserves are backed by valid assets, which have suitably scheduled maturities and/or adequate liquidity to meet cash flow requirements.

My opinion on the loss and allocated loss adjustment expense reserves net of excess insurance assumes that all excess insurance is valid and collectible. In addition, the Trust has represented to me that it knows of no uncollectible excess insurance recoveries. I have not anticipated any contingent liabilities that could arise if the excess insurers do not meet their obligations to the Trust as reflected in the data and other information provided to me.

I believe that there are significant risks and uncertainties that could result in material adverse deviation in the loss and allocated loss adjustment expense reserves. In consideration of the use of this opinion for purposes of solvency monitoring, I

STATEMENT OF ACTUARIAL OPINION

Financial Statement of the West Michigan Risk Management Trust

For the Year Ended June 30, 2005



Page 2 of 3

consider \$270,000 to be material for this Trust, calculated as 20% of members' equity. I have identified the major risks and uncertainties as the relatively small size of the Trust. The absence of other risks and uncertainties from this listing does not imply that additional factors will not be identified in the future as having been a significant influence on the Trust's reserves.

The Trust does not discount loss and allocated loss adjustment expense reserves.

Reserves are established gross of anticipated salvage and subrogation.

OPINION

In my opinion, the amounts recorded in the financial statement for the item above:

- a) are consistent with amounts computed in accordance with the Casualty Actuarial Society Statement of Principles Regarding Property and Casualty Loss and Loss Adjustment Expense Reserves and relevant standards of practice promulgated by the Actuarial Standards Board; and
- b) make a reasonable provision for all unpaid loss and allocated loss adjustment expense obligations of the Trust under the terms of its contracts and agreements.

VARIABILITY

In evaluating whether the reserves make a reasonable provision for unpaid losses and allocated loss adjustment expenses, it is necessary to project future loss and allocated loss adjustment expense payments. Actual future losses and allocated loss adjustment expenses will not develop exactly as projected and may, in fact, vary significantly from the projections.

Further, my projections make no provision for extraordinary future emergence of new classes of losses or types of losses not sufficiently represented in the Trust's historical data base or which are not yet quantifiable.

An actuarial report, including underlying workpapers supporting the findings expressed in this statement of actuarial opinion, has been provided to the Trust to be retained for a period of seven years at its administrative offices and available for regulatory examination.

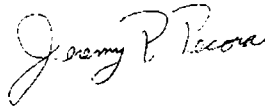
This statement of opinion is solely for the use of, and only to be relied upon by, the Trust and the State of Michigan insurance department with which it files its financial statement.

STATEMENT OF ACTUARIAL OPINION

Financial Statement of the West Michigan Risk Management Trust

For the Year Ended June 30, 2005

Page 3 of 3



Date: October 26, 2005

Jeremy P. Pecora, FCAS, MAAA
Consulting Actuary
1000 Town Center, Suite 950
Southfield, Michigan 48075-1225
(248) 945-6443



PURPOSE AND SCOPE

The Tillinghast business of Towers Perrin (Tillinghast) was retained by the West Michigan Risk Management Trust (WMRMT or the Trust) to perform an actuarial analysis of WMRMT's claim experience for the purpose of projecting ultimate losses and allocated loss adjustment expenses (ALAE). These projections are used to estimate the unpaid losses and ALAE as of June 30, 2005.

Our analysis was performed net of WMRMT's retention. Our projections are net of anticipated future salvage and subrogation.

This document was prepared to summarize our findings. It should be noted that the results are subject to a number of reliances and limitations inherent to the estimation of ultimate loss and ALAE, as described in subsequent sections of this report.

Judgments about the analysis and findings presented in this report should be made only after considering the report in its entirety.

DISTRIBUTION AND USE

This report has been prepared for the internal use of WMRMT management solely for the purpose of evaluating the Trust's unpaid losses and ALAE as of June 30, 2005. It is not intended nor necessarily suitable for any other purpose.

The report contains workpapers, trade secrets and confidential information of both WMRMT and Tillinghast. Because of the nature of the material contained in the report, it is not intended to be subject to disclosure requirements under any Freedom of Information Act or similar laws.

We understand that WMRMT may wish to provide copies of this report to its external auditors, insurance regulators and current or prospective insurers (the "Recipients"). Permission is hereby granted for such distribution on the conditions that:

- Tillinghast is provided a list of the Recipients to whom this report is provided
- the report is distributed in its entirety
- each Recipient recognizes that Tillinghast is available, at the expense of WMRMT, to answer any questions concerning the report
- each Recipient agrees not to reference or distribute the report to any other party
- each Recipient recognizes that the furnishing of this report is not a substitute for its own due diligence and agrees to place no reliance on this report or the data contained herein that would result in the creation of any duty or liability by Tillinghast to such party
- each Recipient understands that such RECIPIENT IS DEEMED TO HAVE ACCEPTED THESE TERMS AND CONDITIONS by retaining a copy of this report.

No further distribution of this report or reference, either oral or written, to Tillinghast, our analysis or findings related to this report may be made without our prior written consent.

The exhibits attached in support of our conclusions are an integral part of this report. The exhibits have been prepared so that our actuarial assumptions and judgments are

documented. Judgments about the findings presented in this report should be made only after considering the report in its entirety. We are available to answer any questions that may arise regarding this report. We assume that the user of this report will seek such explanation on any matter in question.

The estimates set forth in this report are predicated on a number of assumptions as to future conditions and events. These assumptions are documented in subsequent sections of this report, and should be understood in order to place the actuarial estimates in their appropriate context. In addition, the estimates are subject to inherent limitations, as discussed herein.

FINDINGS

Based on our analysis of WMRMT's experience at June 30, 2005, and subject to the considerations set forth in the *Reliances and Limitations* section, we have reached the following conclusions. When reviewing these findings, it should be noted that the use of the term loss without modification includes loss and ALAE, but does not include unallocated loss adjustment expense (ULAE).

Estimated Net Unpaid Loss as of June 30, 2005

The estimated net unpaid losses are summarized in the table below. Please note the following: the estimates are on an expected value basis (i.e., they do not include any margin for adverse results) and the years 1990 through 1999 are estimated to be \$0, and thus are not shown in the table.

ESTIMATED NET UNPAID LOSS AS OF JUNE 30, 2005

Accident Year Ending June 30	Case Reserves	IBNR	Total
2000	\$0	\$4,925	\$4,925
2001	0	0	0
2002	35,604	35,999	71,603
2003	12,416	60,159	72,575
2004	291,617	192,198	483,816
2005	72,521	347,551	420,072
Total	\$412,158	\$640,831	\$1,052,989

The estimated unpaid loss estimates summarized above exclude any provision for unpaid unallocated loss adjustment expense (ULAE). These expenses typically include items associated with general claims adjusting (i.e., "overhead") that cannot be directly allocated to individual claims. Provisions for ULAE liabilities can vary widely, depending on the line of coverage and the contractual arrangement between an entity and the claims administrator.

The unpaid losses and ALAE have decreased approximately \$87,000 from the prior year's analysis. This decrease is caused by the paid loss activity during the twelve months ending June 30, 2005, as well as a corresponding decrease in case reserves.

Comparison of Current and Prior Results

The following table presents a comparison of the current and prior retained ultimate loss estimates for each accident period.

COMPARISON OF CURRENT AND PRIOR NET ULTIMATE LOSS AND ALAE

Accident Year Ending June 30	Prior ^(a)	Current	Dollar Change	Percent Change
1991	\$250,997	\$250,997	\$0	\$0
1992	333,663	333,663	0	0
1993	210,709	210,709	0	0
1994	405,000	405,000	0	0
1995	453,000	453,000	0	0
1996	450,000	450,000	0	0
1997	409,853	409,853	0	0
1998	597,950	597,950	0	0
1999	527,647	523,726	(3,921)	-0.1%
2000	670,145	661,145	(9,000)	-1.3%
2001	594,175	575,794	(18,381)	-3.1%
2002	586,065	642,337	56,272	9.6%
2003	734,506	673,233	(61,273)	-8.3%
2004	906,000	1,000,000	94,000	10.4%
Total	\$7,129,710	\$7,187,407	\$57,697	0.8%

(a) From the June 30, 2004 report.

RELIANCES AND LIMITATIONS

Inherent Uncertainty

Estimates of loss and ALAE are subject to large potential errors of estimation, due to the fact that the ultimate disposition of claims incurred prior to the financial statement date, whether reported or not, is subject to the outcome of events that have not yet occurred. Examples of these events include jury decisions, court interpretations, legislative changes, changes in the medical condition of claimants, public attitudes, and social/economic conditions such as inflation. Any estimate of future costs is subject to the inherent limitation on one's ability to predict the aggregate course of future events. It should therefore be expected that the actual emergence of losses and ALAE will vary, perhaps materially, from any estimate. Thus, no assurance can be given that WMRMT's actual loss and ALAE will not ultimately exceed the estimates contained herein. In our judgment, we have employed techniques and assumptions that are appropriate, and the estimates presented herein are reasonable, given the information currently available.

Data Reliance

Throughout this analysis, we have relied on historical data and other quantitative and qualitative information provided by WMRMT and Gallagher Bassett Services, Inc. We have not independently audited or verified this information; however, we have reviewed it for reasonableness and internal consistency. We have assumed that the information is complete and accurate, and that we have been provided with all information relevant to the analysis of WMRMT's ultimate losses and ALAE. The accuracy of our results is dependent upon the accuracy and completeness of the underlying data; therefore, any material discrepancies discovered in this data should be reported to us and this report amended accordingly, if warranted.

Extraordinary Future Emergence

We have not anticipated any extraordinary changes to the legal, social, or economic environment that might affect the cost, frequency, or future reporting of claims. In addition, our estimates make no provision for potential future claims arising from loss causes not

represented in the historical data (e.g., new types of mass torts or latent injuries, terrorist acts, etc.) except insofar as claims of these types are included but not identified in the reported claims and are implicitly analyzed.

Excess Insurance Collectibility

Liabilities are estimated net of excess insurance. An independent evaluation of the quality of security provided by WMRMT's excess insurers is outside the scope of our engagement.

We have assumed that all of the Trust's excess insurance protection will be valid and collectible. Contingent liability may exist for any excess insurance recoveries that may prove to be uncollectible. Should such liabilities materialize, they would be in addition to the net liability estimates contained herein.

Underlying Assets

We have not examined the assets underlying WMRMT's outstanding loss liabilities and we have formed no opinion as to the validity or value of these assets. We have assumed throughout the analysis that WMRMT's loss liabilities are backed by valid assets with suitably scheduled maturities and/or adequate liquidity to meet cash flow requirements.

Self-Insurance Risk

When reviewing our findings, it is important to note certain implications of a self-insurance program. The entire retained risk remains with the self-insured trust, which likely exposes the members to greater potential fluctuations in financial experience than does a first dollar insurance program. The members of WMRMT should have sufficient financial capacity to withstand those fluctuations. Actual losses in excess of projected losses will have to be paid by WMRMT members. It is not possible to estimate such fluctuations completely accurately; however, the effects of such fluctuations can be reduced by the funding of a provision for contingencies (a margin for the risk of adverse deviation from the expected loss levels). We have not calculated such risk margins or estimated confidence levels in the scope of our review.

An important factor bearing on a self-insured's financial capacity is the existence of an excess insurance program. Excess insurance is generally considered an integral part of

programs with the potential for catastrophic losses; general liability, auto liability and property losses are characterized by this potential.

Nothing in this report should be construed as recommending that WMRMT members should or should not self-insure these coverages. Many factors should be considered in that decision.

General

Estimated liabilities do not include a provision for:

- Cost of excess insurance
- Unallocated loss adjustment expense
- Actuarial and audit fees
- Risk management fees
- In-house legal counsel fees.

Note that ALAE represents the costs associated with the defense and settlement of individual claims. ULAE are those costs that are not attributable to specific claims, and are more in the nature of an overhead expense. The major item in this category would be fees for claims management services provided by an outside organization.

BACKGROUND

Trust Overview

WMRMT was formed on July 1, 1990. It is a group self-insured trust fund that is currently providing automobile liability, automobile physical damage, property, and general liability coverage for 23 school districts in Michigan. Prior to July 1, 1990 each school district acquired insurance on its own.

Excess Insurance

The WMRMT per occurrence retention for the periods from July 1, 1990 to June 30, 1993 covered \$125,000 per occurrence. From July 1, 1993 to the present, WMRMT has covered the first \$175,000 per occurrence. The Trust's annual aggregate loss fund has varied over the years (see Summary Exhibit 1, Column (7)).

Each year the loss fund is set by the aggregate excess insurer. Individual members of the Trust contribute money to this fund to pay for future claims. In closed years in which the ultimate losses are less than the loss fund, the members who contributed to the loss fund are eligible to receive a surplus dividend associated with the closed year. The aggregate excess insurer provides funds for the years in which the ultimate losses exceed the loss fund.

Terminology

Loss: The use of the term loss without modification includes loss and ALAE, but does not include ULAE.

IBNR: IBNR stands for claims Incurred But Not Reported. In this report, we have used the term in its broader, more general sense, to represent development on outstanding case reserves (also referred to as supplemental or IBNER – Incurred But Not Enough Reported) and unreported claims (also referred to as “pure” IBNR or IBNYR – Incurred But Not Yet Reported).

Accident Year: Includes all claims that occurred during the “accident period”, e.g., accident year July 1, 2004 through June 30, 2005 would include all claims occurring during that period, regardless of when they were reported.

DATA AND INFORMATION

We relied on the following information as provided by WMRMT, for use in the analysis:

- General liability, auto liability, auto physical damage and property exposure data, and Trust retention information;
- Paid and reported loss and ALAE data for accident years July 1, 1990 through June 30, 2005 evaluated as of June 30, 2005;
- Detailed information for large claims; and
- Detailed information on open and total claim counts.

We relied upon this information without audit or independent verification.

Accident Year	Evaluation Age in Months														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
1991	6,797	9,190	11,927	11,927	11,927	11,927	11,927	12,049	12,049	12,049	12,049	12,049	12,049	12,049	12,049
1992	42,894	19,880	22,380	18,841	143,836	253,575	253,575	253,575	253,575	253,575	253,575	253,575	253,575	253,575	253,575
1993	3,095	12,498	5,972	28,472	33,472	27,939	27,939	27,939	27,939	27,939	27,939	27,939	27,939	27,939	27,939
1994	28,493	50,864	38,273	38,273	38,273	33,448	33,448	33,448	37,163	37,163	37,163	37,163	37,163	37,163	37,163
1995	14,477	10,627	31,454	36,454	51,454	44,703	49,703	44,703	44,703	44,703	44,703	44,703	44,703	44,703	44,703
1996	5,410	8,235	9,276	6,776	6,776	6,776	6,776	6,776	6,776	6,776	6,776	6,776	6,776	6,776	6,776
1997	43,754	33,057	33,057	33,057	33,057	33,057	33,057	33,057	33,057	33,057	33,057	33,057	33,057	33,057	33,057
1998	37,881	27,171	42,647	31,290	31,306	31,306	31,306	31,306	31,306	31,306	31,306	31,306	31,306	31,306	31,306
1999	3,466	8,327	18,427	19,079	19,079	19,079	19,079	19,079	19,079	19,079	19,079	19,079	19,079	19,079	19,079
2000	14,375	44,679	223,179	221,837	297,337	290,075	290,075	290,075	290,075	290,075	290,075	290,075	290,075	290,075	290,075
2001	23,643	34,643	109,401	109,401	109,401	109,401	109,401	109,401	109,401	109,401	109,401	109,401	109,401	109,401	109,401
2002	6,468	3,778	101,278	154,001	154,001	154,001	154,001	154,001	154,001	154,001	154,001	154,001	154,001	154,001	154,001
2003	16,500	165,250	155,841	155,841	155,841	155,841	155,841	155,841	155,841	155,841	155,841	155,841	155,841	155,841	155,841
2004	354,300	549,115	549,115	549,115	549,115	549,115	549,115	549,115	549,115	549,115	549,115	549,115	549,115	549,115	549,115
2005	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316

Accident Year	Age Interval in Months															
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 - 132	132 - 144	144 - 156	156 - 168	168 - 180	180 - Ult	
1991	1.352	1.298	1.000	1.000	1.000	1.000	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1992	0.463	1.126	0.842	7.634	1.763	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1993	4.038	0.478	4.767	1.176	0.835	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
1994	1.785	0.752	1.000	1.000	0.874	1.000	1.000	1.111	1.000	1.000	1.000	1.000				
1995	0.734	2.960	1.159	1.411	0.869	1.112	0.899	1.000	1.000	1.000						
1996	1.522	1.126	0.730	1.000	1.000	1.000	1.000	1.000	1.000							
1997	0.756	1.000	1.000	1.000	1.000	1.000	1.000	1.000								
1998	0.717	1.570	0.734	1.001	1.000	1.000	1.000									
1999	2.402	2.213	1.035	1.000	1.000	1.000										
2000	3.108	4.995	0.994	1.340	0.976											
2001	1.465	3.158	1.000	1.000												
2002	0.584	26.807	1.521													
2003	10.015	0.943														
2004	1.550															
2005																

Simple Average of Middle 12 of Latest 14 (Non-contiguous, Average High Low)

[1] 1.668 2.899 1.315 1.687 1.032 1.012 0.989 1.016 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000

Simple Average of Middle 3 of Latest 5 (Non-contiguous, Average High Low)

[2] 2.041 3.455 1.010 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000

Volume Weighted Average of Latest 14 (Contiguous)

[3] 1.625 1.876 1.096 1.397 1.128 1.011 0.989 1.009 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000

Volume Weighted Average of Latest 5 (Non-contiguous)

[4] 1.920 2.369 1.082 1.182 0.981 1.037 0.968 1.025 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000

Industry - GL - Other - Fast

[5] 1.698 1.314 1.146 1.056 1.054 1.020 1.020 1.015 1.010 1.009 1.007 1.006 1.004 1.003 1.001 1.001

Prior Selected

Prior Selected 1.900 2.500 1.060 1.060 1.020 1.015 1.010 1.003 1.002 1.000 1.000 1.000 1.000 1.000 1.000 1.000

Selected

Selected 1.661 1.595 1.121 1.119 1.091 1.016 1.005 1.012 1.005 1.000 1.000 1.000 1.000 1.000 1.000 1.000

Dev To Ult 3.763 2.265 1.420 1.267 1.132 1.038 1.022 1.017 1.005 1.000 1.000 1.000 1.000 1.000 1.000 1.000

Accident Year	Evaluation Age in Months														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
1991	3,526	9,190	11,927	11,927	11,927	11,927	11,927	12,049	12,049	12,049	12,049	12,049	12,049	12,049	12,049
1992	13,966	17,380	18,387	18,741	37,633	253,575	253,575	253,575	253,575	253,575	253,575	253,575	253,575	253,575	253,575
1993	1,345	5,436	5,872	9,340	17,609	27,939	27,939	27,939	27,939	27,939	27,939	27,939	27,939	27,939	27,939
1994	2,193	19,540	21,968	24,282	33,181	33,448	33,448	33,448	37,163	37,163	37,163	37,163	37,163	37,163	37,163
1995	6,377	10,627	13,012	21,314	27,352	44,703	44,703	44,703	44,703	44,703	44,703	44,703	44,703	44,703	44,703
1996	617	735	6,776	6,776	6,776	6,776	6,776	6,776	6,776	6,776	6,776	6,776	6,776	6,776	6,776
1997	22,955	33,057	33,057	33,057	33,057	33,057	33,057	33,057	33,057	33,057	33,057	33,057	33,057	33,057	33,057
1998	8,379	21,976	29,763	31,290	31,306	31,306	31,306	31,306	31,306	31,306	31,306	31,306	31,306	31,306	31,306
1999	2,834	3,327	18,427	19,079	19,079	19,079	19,079	19,079	19,079	19,079	19,079	19,079	19,079	19,079	19,079
2000	1,625	17,570	174,270	189,008	198,305	290,075	290,075	290,075	290,075	290,075	290,075	290,075	290,075	290,075	290,075
2001	16,896	23,113	109,401	109,401	109,401	109,401	109,401	109,401	109,401	109,401	109,401	109,401	109,401	109,401	109,401
2002	878	1,278	11,669	118,397	118,397	118,397	118,397	118,397	118,397	118,397	118,397	118,397	118,397	118,397	118,397
2003	2,076	6,952	143,425	143,425	143,425	143,425	143,425	143,425	143,425	143,425	143,425	143,425	143,425	143,425	143,425
2004	27,390	137,103	137,103	137,103	137,103	137,103	137,103	137,103	137,103	137,103	137,103	137,103	137,103	137,103	137,103
2005	816	816	816	816	816	816	816	816	816	816	816	816	816	816	816

Accident Year	Age Interval in Months																
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 - 132	132 - 144	144 - 156	156 - 168	168 - 180	180 - Ult		
1991	2.606	1.298	1.000	1.000	1.000	1.000	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1992	1.244	1.058	1.019	2.008	6.738	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1993	4.041	1.080	1.591	1.885	1.587	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1994	8.912	1.124	1.105	1.366	1.008	1.000	1.000	1.000	1.111	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1995	1.666	1.225	1.638	1.283	1.634	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996	1.191	9.215	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997	1.440	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1998	2.623	1.354	1.051	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999	1.174	5.539	1.035	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000	10.813	9.918	1.085	1.049	1.463	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2001	1.368	4.733	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002	1.455	9.131	10.146	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003	3.349	20.630	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006
2005	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006	5.006

Simple Average of Middle 12 of Latest 14 (Non-contiguous, Average High Low)																
[1]	2.908	4.708	1.889	1.236	1.743	1.000	1.001	1.016	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Simple Average of Middle 3 of Latest 5 (Non-contiguous, Average High Low)																
[2]	3.270	8.196	1.057	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Volume Weighted Average of Latest 14 (Contiguous)																
[3]	2.767	3.514	1.304	1.108	1.806	1.000	1.000	1.009	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Volume Weighted Average of Latest 5 (Non-contiguous)																
[4]	3.807	8.752	1.360	1.024	1.318	1.000	1.000	1.025	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Industry - GL - Other - Fast																
[5]	2.564	1.684	1.392	1.205	1.129	1.051	1.040	1.030	1.016	1.014	1.012	1.010	1.008	1.006	1.008	1.008
Prior Selected																
Prior Selected	2.500	5.000	1.070	1.050	1.040	1.030	1.020	1.010	1.005	1.002	1.000	1.000	1.000	1.000	1.000	1.000
Selected																
Selected	3.000	5.000	1.150	1.157	1.129	1.025	1.020	1.010	1.008	1.005	1.004	1.003	1.003	1.002	1.003	1.003
Dev To Ult																
Dev To Ult	24.443	8.148	1.630	1.417	1.225	1.085	1.059	1.038	1.028	1.020	1.015	1.011	1.007	1.005	1.003	1.003

West Michigan Risk Management Trust

General Liability (GB, GD, PI)

Total Claim Counts

Data Evaluated as of 6/30/05

Appendix A

Page 3

Accident Year	Evaluation Age in Months														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
1991	28	30	30	30	30	30	30	30	30	30	30	30	30	30	30
1992	21	22	23	24	24	24	24	24	24	24	24	24	24	24	30
1993	22	24	26	28	28	28	28	28	28	28	28	28	28	24	
1994	26	30	31	31	31	31	31	31	32	32	32	32	28		
1995	22	25	25	25	25	25	26	26	26	26	26	32			
1996	19	25	26	27	27	27	27	28	28	28	26				
1997	32	36	36	36	36	36	36	36	36	36	28				
1998	34	40	40	40	40	40	40	40	40						
1999	12	16	17	17	17	17	17								
2000	14	19	20	20	20	20									
2001	18	20	20	20	20										
2002	10	16	18	18											
2003	8	9	10												
2004	17	22													
2005	13														

West Michigan Risk Management Trust

General Liability (GB, GD, PI)

Open Claim Counts

Data Evaluated as of 6/30/05

Appendix A

Page 4

Accident Year	Evaluation Age in Months														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
1991	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1992	6	1	1	1	1	0	0	0	0	0	0	0	0	0	0
1993	5	2	1	2	2	0	0	0	0	0	0	0	0	0	0
1994	9	1	1	1	1	0	0	0	0	0	0	0	0	0	0
1995	7	0	1	1	1	0	1	0	0	0	0	0	0	0	0
1996	5	1	1	0	0	0	0	0	0	0	0	0	0	0	0
1997	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1998	5	2	1	0	0	0	0	0	0	0	0	0	0	0	0
1999	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0
2000	5	3	2	1	1	0	0	0	0	0	0	0	0	0	0
2001	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
2002	2	1	2	1	0	0	0	0	0	0	0	0	0	0	0
2003	4	2	1	0	0	0	0	0	0	0	0	0	0	0	0
2004	12	4	0	0	0	0	0	0	0	0	0	0	0	0	0
2005	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Accident Year	Evaluation Age in Months														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
1991	18,205	32,365	44,655	49,655	45,225	45,225	45,225	45,225	45,225	45,225	45,225	45,225	45,225	45,225	45,225
1992	11,318	19,046	19,615	34,615	119,615	106,248	106,248	106,248	106,248	106,248	106,248	106,248	106,248	106,248	106,248
1993	15,704	15,545	31,057	46,057	56,057	46,904	46,904	46,904	46,904	46,904	46,904	46,904	46,904	46,904	46,904
1994	552,553	554,783	889,783	945,099	981,186	981,186	981,186	981,186	981,186	981,186	981,186	981,186	981,186	981,186	981,186
1995	307,205	1,174,205	1,168,304	904,021	892,449	892,449	892,449	892,449	892,449	892,449	892,449	892,449	892,449	892,449	892,449
1996	37,599	31,435	31,435	31,435	31,435	31,435	31,435	31,435	31,435	31,435	31,435	31,435	31,435	31,435	31,435
1997	42,886	40,406	40,406	40,406	40,406	40,406	40,406	40,406	40,406	40,406	40,406	40,406	40,406	40,406	40,406
1998	29,952	33,781	33,781	33,781	33,781	33,781	33,781	33,781	33,781	33,781	33,781	33,781	33,781	33,781	33,781
1999	96,520	77,286	77,286	60,547	60,547	60,547	60,547	60,547	60,547	60,547	60,547	60,547	60,547	60,547	60,547
2000	61,522	82,103	58,468	58,468	58,468	58,468	58,468	58,468	58,468	58,468	58,468	58,468	58,468	58,468	58,468
2001	27,738	28,507	34,007	33,218	33,218	33,218	33,218	33,218	33,218	33,218	33,218	33,218	33,218	33,218	33,218
2002	32,614	34,272	34,272	34,272	34,272	34,272	34,272	34,272	34,272	34,272	34,272	34,272	34,272	34,272	34,272
2003	24,140	24,727	24,727	24,727	24,727	24,727	24,727	24,727	24,727	24,727	24,727	24,727	24,727	24,727	24,727
2004	77,037	179,657													
2005	56,973														

Accident Year	Age Interval in Months														
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to 156	156 to 168	168 to 180	180 - Ult
1991	1.778	1.380	1.112	0.911	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1992	1.683	1.030	1.765	3.456	0.888	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1993	0.990	1.998	1.483	1.217	0.837	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1994	1.004	1.604	1.062	1.038	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1995	3.822	0.995	0.774	0.987	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996	0.836	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997	0.942	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1998	1.128	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999	0.801	1.000	0.783	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000	1.335	0.712	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2001	1.028	1.193	0.977	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002	1.051	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003	1.024	1.000													
2004	2.332														
2005															

Simple Average of Middle 12 of Latest 14 (Non-contiguous, Average High Low)															
[1]	1.261	1.130	1.080	1.237	0.972	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Simple Average of Middle 3 of Latest 5 (Non-contiguous, Average High Low)															
[2]	1.138	1.000	0.992	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Volume Weighted Average of Latest 14 (Contiguous)															
[3]	1.744	1.158	0.922	1.051	0.990	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Volume Weighted Average of Latest 5 (Non-contiguous)															
[4]	1.566	0.927	0.926	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Industry															
[5]	1.190	1.060	1.014	1.001	0.997	0.998	0.999	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior Selected															
Prior Selected	1.200	1.100	1.020	1.010	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected															
Selected	1.250	1.085	1.015	1.008	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Dev To Ult															
Dev To Ult	1.390	1.112	1.025	1.010	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Accident Year	Evaluation Age in Months														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
1991	12,197	12,531	26,519	43,378	45,225	45,225	45,225	45,225	45,225	45,225	45,225	45,225	45,225	45,225	45,225
1992	8,818	19,046	19,615	20,294	30,986	106,248	106,248	106,248	106,248	106,248	106,248	106,248	106,248	106,248	106,248
1993	15,454	15,545	16,057	16,057	25,122	46,904	46,904	46,904	46,904	46,904	46,904	46,904	46,904	46,904	46,904
1994	24,308	41,426	56,166	937,599	981,186	981,186	981,186	981,186	981,186	981,186	981,186	981,186	981,186	981,186	981,186
1995	24,219	37,704	193,372	880,883	892,449	892,449	892,449	892,449	892,449	892,449	892,449	892,449	892,449	892,449	892,449
1996	29,199	31,435	31,435	31,435	31,435	31,435	31,435	31,435	31,435	31,435	31,435	31,435	31,435	31,435	31,435
1997	33,386	40,406	40,406	40,406	40,406	40,406	40,406	40,406	40,406	40,406	40,406	40,406	40,406	40,406	40,406
1998	28,852	33,781	33,781	33,781	33,781	33,781	33,781	33,781	33,781	33,781	33,781	33,781	33,781	33,781	33,781
1999	23,675	38,956	44,475	60,547	60,547	60,547	60,547	60,547	60,547	60,547	60,547	60,547	60,547	60,547	60,547
2000	33,002	42,103	58,468	58,468	58,468	58,468	58,468	58,468	58,468	58,468	58,468	58,468	58,468	58,468	58,468
2001	26,238	28,507	30,760	33,218	33,218	33,218	33,218	33,218	33,218	33,218	33,218	33,218	33,218	33,218	33,218
2002	31,114	34,272	34,272	34,272	34,272	34,272	34,272	34,272	34,272	34,272	34,272	34,272	34,272	34,272	34,272
2003	22,500	24,727	24,727	24,727	24,727	24,727	24,727	24,727	24,727	24,727	24,727	24,727	24,727	24,727	24,727
2004	71,739	104,657	104,657	104,657	104,657	104,657	104,657	104,657	104,657	104,657	104,657	104,657	104,657	104,657	104,657
2005	28,333	28,333	28,333	28,333	28,333	28,333	28,333	28,333	28,333	28,333	28,333	28,333	28,333	28,333	28,333

Accident Year	Age Interval in Months														
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 - 132	132 - 144	144 - 156	156 - 168	168 - 180	180 - Ult
1991	1.027	2.116	1.636	1.043	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1992	2.160	1.030	1.035	1.527	3.429	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1993	1.006	1.033	1.000	1.565	1.867	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1994	1.704	1.356	16.693	1.046	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1995	1.557	5.129	4.555	1.013	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996	1.077	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997	1.210	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1998	1.171	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999	1.645	1.142	1.361	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000	1.276	1.389	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2001	1.086	1.079	1.080	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002	1.102	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003	1.099	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004	1.459	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005	1.459	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Simple Average of Middle 12 of Latest 14 (Non-contiguous, Average High Low)																
[1]	1.284	1.351	2.697	1.109	1.330	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Simple Average of Middle 3 of Latest 5 (Non-contiguous, Average High Low)																
[2]	1.159	1.074	1.027	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Volume Weighted Average of Latest 14 (Contiguous)																
[3]	1.313	1.523	3.742	1.036	1.044	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Volume Weighted Average of Latest 5 (Non-contiguous)																
[4]	1.269	1.143	1.092	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Industry																
[5]	2.051	1.381	1.178	1.082	1.040	1.019	1.008	1.004	1.003	1.003	1.000	1.000	1.000	1.000	1.000	1.000
Prior Selected																
Prior Selected	1.250	1.150	1.100	1.040	1.020	1.010	1.004	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected																
Selected	1.300	1.150	1.100	1.040	1.020	1.008	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Dev To Ult																
Dev To Ult	1.765	1.358	1.181	1.074	1.032	1.012	1.004	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Accident Year	Evaluation Age in Months															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	
1991	36	37	38	38	38	38	38	38	38	38	38	38	38	38	38	
1992	21	23	23	23	23	23	23	23	23	23	23	38	38	38	38	
1993	39	39	41	41	41	41	41	41	41	41	41	23	23	23	38	
1994	49	49	49	50	50	50	50	50	50	50	50	41	41	41	38	
1995	51	54	54	54	54	54	54	54	54	54	54	50	50	50	38	
1996	38	37	37	37	37	37	37	37	37	37	37	54	54	54	38	
1997	60	62	62	62	62	62	62	62	62	62	62	62	62	62	38	
1998	61	67	67	67	67	67	67	67	67	67	67	67	67	67	38	
1999	41	44	44	44	44	44	44	44	44	44	44	44	44	44	38	
2000	39	43	43	43	43	43	43	43	43	43	43	43	43	43	38	
2001	45	45	46	46	46	46	46	46	46	46	46	46	46	46	38	
2002	40	41	41	41	41	41	41	41	41	41	41	41	41	41	38	
2003	30	35	35	35	35	35	35	35	35	35	35	35	35	35	38	
2004	35	39	39	39	39	39	39	39	39	39	39	39	39	39	38	
2005	33	33	33	33	33	33	33	33	33	33	33	33	33	33	38	

West Michigan Risk Management Trust

Automobile Liability (AB, AD, AN)

Open Claim Counts

Data Evaluated as of 6/30/05

Appendix B

Page 4

Accident Year	Evaluation Age in Months														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
1991	3	1	1	1	0	0	0	0	0	0	0	0	0	0	0
1992	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0
1993	1	0	1	1	1	0	0	0	0	0	0	0	0	0	0
1994	4	1	1	1	0	0	0	0	0	0	0	0	0	0	0
1995	6	2	1	1	0	0	0	0	0	0	0	0	0	0	0
1996	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1997	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1998	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1999	5	1	1	0	0	0	0	0	0	0	0	0	0	0	0
2000	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0
2001	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0
2002	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2003	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0
2005	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0

West Michigan Risk Management Trust

Automobile Physical Damage (AP)

Incurred Loss & ALAE

Data Evaluated as of 6/30/05

Appendix C

Page 1

Accident Year	Evaluation Age in Months														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180

Accident Year	Evaluation Age in Months														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
1991	258,756	257,008	250,191	250,191	250,191	250,191	250,191	250,191	250,191	250,191	250,191	250,191	250,191	250,191	250,191
1992	18,288	17,389	17,389	17,389	17,389	17,389	17,389	17,389	17,389	17,389	17,389	17,389	17,389	17,389	17,389
1993	31,825	36,040	36,040	36,040	36,040	36,040	36,040	36,040	36,040	36,040	36,040	36,040	36,040	36,040	36,040
1994	56,523	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869
1995	101,690	100,663	100,663	100,663	100,663	100,663	100,663	100,663	100,663	100,663	100,663	100,663	100,663	100,663	100,663
1996	123,166	164,060	163,660	163,660	163,660	163,660	163,660	163,660	163,660	163,660	163,660	163,660	163,660	163,660	163,660
1997	105,429	119,474	119,474	119,474	119,474	119,474	119,474	119,474	119,474	119,474	119,474	119,474	119,474	119,474	119,474
1998	94,035	95,007	92,507	92,507	92,507	92,507	92,507	92,507	92,507	92,507	92,507	92,507	92,507	92,507	92,507
1999	90,103	97,538	97,538	97,538	97,538	97,538	97,538	97,538	97,538	97,538	97,538	97,538	97,538	97,538	97,538
2000	159,724	157,991	157,991	157,991	157,991	157,991	157,991	157,991	157,991	157,991	157,991	157,991	157,991	157,991	157,991
2001	110,083	125,144	125,144	125,144	125,144	125,144	125,144	125,144	125,144	125,144	125,144	125,144	125,144	125,144	125,144
2002	113,693	125,135	124,953	124,953	124,953	124,953	124,953	124,953	124,953	124,953	124,953	124,953	124,953	124,953	124,953
2003	116,474	116,565	116,565	116,565	116,565	116,565	116,565	116,565	116,565	116,565	116,565	116,565	116,565	116,565	116,565
2004	121,108	122,835	122,835	122,835	122,835	122,835	122,835	122,835	122,835	122,835	122,835	122,835	122,835	122,835	122,835
2005	101,605	101,605	101,605	101,605	101,605	101,605	101,605	101,605	101,605	101,605	101,605	101,605	101,605	101,605	101,605

Accident Year	Age Interval in Months														
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 - 132	132 - 144	144 - 156	156 - 168	168 - 180	180 - Unk
1991	0.993	0.973	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1992	0.951	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1993	1.132	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1994	0.988	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1995	0.990	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996	1.332	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997	1.133	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1998	1.010	0.974	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999	1.083	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000	0.989	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2001	1.137	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002	1.101	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Simple Average of Middle 12 of Latest 14 (Non-contiguous, Average High Low)

[1]	1.048	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
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Simple Average of Middle 3 of Latest 5 (Non-contiguous, Average High Low)

[2]	1.039	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
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Volume Weighted Average of Latest 14 (Contiguous)

[3]	1.060	0.993	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
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Volume Weighted Average of Latest 5 (Non-contiguous)

[4]	1.043	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
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Prior Selected

Prior Selected	1.100	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
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Selected

Selected	1.080	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
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Dev To Ult	1.080	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
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Accident Year	Evaluation Age in Months														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
1991	22,821	151,987	250,191	250,191	250,191	250,191	250,191	250,191	250,191	250,191	250,191	250,191	250,191	250,191	250,191
1992	18,205	17,389	17,389	17,389	17,389	17,389	17,389	17,389	17,389	17,389	17,389	17,389	17,389	17,389	17,389
1993	31,825	36,040	36,040	36,040	36,040	36,040	36,040	36,040	36,040	36,040	36,040	36,040	36,040	36,040	36,040
1994	54,020	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869
1995	57,407	100,663	100,663	100,663	100,663	100,663	100,663	100,663	100,663	100,663	100,663	100,663	100,663	100,663	100,663
1996	39,652	164,060	163,660	163,608	163,608	163,608	163,608	163,608	163,608	163,608	163,608	163,608	163,608	163,608	163,608
1997	90,104	119,474	119,474	119,474	119,474	119,474	119,474	119,474	119,474	119,474	119,474	119,474	119,474	119,474	119,474
1998	93,328	95,007	92,507	92,507	92,507	92,507	92,507	92,507	92,507	92,507	92,507	92,507	92,507	92,507	92,507
1999	81,136	97,538	97,538	97,538	97,538	97,538	97,538	97,538	97,538	97,538	97,538	97,538	97,538	97,538	97,538
2000	125,617	157,991	157,991	157,991	157,991	157,991	157,991	157,991	157,991	157,991	157,991	157,991	157,991	157,991	157,991
2001	100,833	125,144	125,144	125,144	125,144	125,144	125,144	125,144	125,144	125,144	125,144	125,144	125,144	125,144	125,144
2002	111,147	124,953	124,953	124,953	124,953	124,953	124,953	124,953	124,953	124,953	124,953	124,953	124,953	124,953	124,953
2003	113,974	116,565	116,565	116,565	116,565	116,565	116,565	116,565	116,565	116,565	116,565	116,565	116,565	116,565	116,565
2004	119,873	122,835	122,835	122,835	122,835	122,835	122,835	122,835	122,835	122,835	122,835	122,835	122,835	122,835	122,835
2005	86,091	86,091	86,091	86,091	86,091	86,091	86,091	86,091	86,091	86,091	86,091	86,091	86,091	86,091	86,091

Accident Year	Age Interval in Months														
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 - 132	132 - 144	144 - 156	156 - 168	168 - 180	180 - Ult
1991	6.660	1.646	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1992	0.955	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1993	1.132	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1994	1.034	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1995	1.754	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996	4.138	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997	1.326	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1998	1.018	0.974	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999	1.202	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000	1.258	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2001	1.241	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002	1.124	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003	1.023	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004	1.025	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005	1.025	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Simple Average of Middle 12 of Latest 14 (Non-contiguous, Average High Low)

[1]	1.440	1.026	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
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Simple Average of Middle 3 of Latest 5 (Non-contiguous, Average High Low)

[2]	1.130	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
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Volume Weighted Average of Latest 14 (Contiguous)

[3]	1.402	1.070	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
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Volume Weighted Average of Latest 5 (Non-contiguous)

[4]	1.133	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
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Prior Selected

Prior Selected	1.200	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
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Selected

Selected	1.200	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
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Dev To Ult	1.200	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
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Accident Year	Evaluation Age in Months														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
1991	15	16	16	16	16	16	16	16	16	16	16	16	16	16	16
1992	10	11	11	11	11	11	11	11	11	11	11	11	11	11	11
1993	12	14	14	14	14	14	14	14	14	14	14	14	14	14	14
1994	17	18	18	18	18	18	18	18	18	18	18	18	18	18	18
1995	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
1996	19	21	21	21	21	21	21	21	21	21	21	21	21	21	21
1997	41	42	42	42	42	42	42	42	42	42	42	42	42	42	42
1998	33	36	36	36	36	36	36	36	36	36	36	36	36	36	36
1999	24	26	26	26	26	26	26	26	26	26	26	26	26	26	26
2000	33	34	34	34	34	34	34	34	34	34	34	34	34	34	34
2001	24	28	28	28	28	28	28	28	28	28	28	28	28	28	28
2002	25	28	28	28	28	28	28	28	28	28	28	28	28	28	28
2003	37	39	39	39	39	39	39	39	39	39	39	39	39	39	39
2004	18	21	21	21	21	21	21	21	21	21	21	21	21	21	21
2005	31														

Accident Year	Evaluation Age in Months														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
1991	6	1	0	0	0	0	0	0	0	0	0	0	0	0	0
1992	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1994	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1995	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1996	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1997	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1998	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1999	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2002	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0
2003	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2005	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Accident Year	Evaluation Age in Months														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
1991	821,655	618,752	543,590	543,590	543,553	543,553	543,553	543,553	543,553	543,553	543,553	543,553	543,553	543,553	543,553
1992	74,248	66,238	66,238	66,238	66,238	66,238	66,238	66,238	66,238	66,238	66,238	66,238	66,238	66,238	66,238
1993	95,127	96,846	96,846	96,846	99,826	99,826	99,826	99,826	99,826	99,826	99,826	99,826	99,826	99,826	99,826
1994	225,857	198,368	197,893	197,893	194,821	194,821	194,821	194,821	194,821	194,821	194,821	194,821	194,821	194,821	194,821
1995	131,565	130,336	130,671	130,671	130,671	130,671	130,671	130,671	130,671	130,671	130,671	130,671	130,671	130,671	130,671
1996	1,378,834	1,378,170	580,070	1,212,832	1,212,832	1,212,832	1,212,832	1,212,832	1,212,832	1,212,832	1,212,832	1,212,832	1,212,832	1,212,832	1,212,832
1997	181,851	220,185	220,182	216,916	216,916	216,916	216,916	216,916	216,916	216,916	216,916	216,916	216,916	216,916	216,916
1998	108,637	533,191	533,080	533,080	533,080	533,080	533,080	533,080	533,080	533,080	533,080	533,080	533,080	533,080	533,080
1999	309,700	354,156	351,004	346,562	346,562	346,562	346,562	346,562	346,562	346,562	346,562	346,562	346,562	346,562	346,562
2000	102,146	149,685	149,685	149,685	149,685	149,685	149,685	149,685	149,685	149,685	149,685	149,685	149,685	149,685	149,685
2001	288,407	310,106	308,031	308,031	308,031	308,031	308,031	308,031	308,031	308,031	308,031	308,031	308,031	308,031	308,031
2002	252,599	293,112	293,112	293,112	293,112	293,112	293,112	293,112	293,112	293,112	293,112	293,112	293,112	293,112	293,112
2003	702,393	925,979	925,979	925,979	925,979	925,979	925,979	925,979	925,979	925,979	925,979	925,979	925,979	925,979	925,979
2004	120,041	156,194	156,194	156,194	156,194	156,194	156,194	156,194	156,194	156,194	156,194	156,194	156,194	156,194	156,194
2005	91,556	91,556	91,556	91,556	91,556	91,556	91,556	91,556	91,556	91,556	91,556	91,556	91,556	91,556	91,556

Accident Year	Age Interval in Months														
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to 156	156 to 168	168 to 180	180 - Ult
1991	0.753	0.879	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1992	0.892	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1993	1.018	1.000	1.000	1.031	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1994	0.878	0.998	1.000	0.984	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1995	0.991	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996	1.000	0.421	2.091	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997	1.211	1.000	0.985	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1998	4.908	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999	1.144	0.991	0.987	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000	1.465	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2001	1.075	0.993	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002	1.160	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003	1.318	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004	1.301	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005	1.301	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Simple Average of Middle 12 of Latest 14 (Non-contiguous, Average High Low)															
[1]	1.121	0.964	1.089	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Simple Average of Middle 3 of Latest 5 (Non-contiguous, Average High Low)															
[2]	1.260	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Volume Weighted Average of Latest 14 (Contiguous)															
[3]	1.133	0.833	1.180	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Volume Weighted Average of Latest 5 (Non-contiguous)															
[4]	1.252	0.997	0.997	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior Selected															
Prior Selected	1.200	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected															
Selected	1.300	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Dev To Ult															
Dev To Ult	1.300	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Accident Year	Evaluation Age in Months														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
1991	27,583	41,693	543,510	543,510	543,553	543,553	543,553	543,553	543,553	543,553	543,553	543,553	543,553	543,553	543,553
1992	66,238	66,238	66,238	66,238	66,238	66,238	66,238	66,238	66,238	66,238	66,238	66,238	66,238	66,238	66,238
1993	40,380	96,846	96,846	96,846	99,826	99,826	99,826	99,826	99,826	99,826	99,826	99,826	99,826	99,826	99,826
1994	79,407	197,877	197,877	197,877	194,821	194,821	194,821	194,821	194,821	194,821	194,821	194,821	194,821	194,821	194,821
1995	123,179	130,336	130,671	130,671	130,671	130,671	130,671	130,671	130,671	130,671	130,671	130,671	130,671	130,671	130,671
1996	128,520	558,707	579,607	1,212,832	1,212,832	1,212,832	1,212,832	1,212,832	1,212,832	1,212,832	1,212,832	1,212,832	1,212,832	1,212,832	1,212,832
1997	51,953	220,146	220,146	216,916	216,916	216,916	216,916	216,916	216,916	216,916	216,916	216,916	216,916	216,916	216,916
1998	29,700	531,782	533,080	533,080	533,080	533,080	533,080	533,080	533,080	533,080	533,080	533,080	533,080	533,080	533,080
1999	131,015	350,735	350,735	346,562	346,562	346,562	346,562	346,562	346,562	346,562	346,562	346,562	346,562	346,562	346,562
2000	36,621	149,685	149,685	149,685	149,685	149,685	149,685	149,685	149,685	149,685	149,685	149,685	149,685	149,685	149,685
2001	255,207	310,106	308,031	308,031	308,031	308,031	308,031	308,031	308,031	308,031	308,031	308,031	308,031	308,031	308,031
2002	176,599	293,112	293,112	293,112	293,112	293,112	293,112	293,112	293,112	293,112	293,112	293,112	293,112	293,112	293,112
2003	315,941	925,979	925,979	925,979	925,979	925,979	925,979	925,979	925,979	925,979	925,979	925,979	925,979	925,979	925,979
2004	67,121	151,589	151,589	151,589	151,589	151,589	151,589	151,589	151,589	151,589	151,589	151,589	151,589	151,589	151,589
2005	65,689	65,689	65,689	65,689	65,689	65,689	65,689	65,689	65,689	65,689	65,689	65,689	65,689	65,689	65,689

Accident Year	Age Interval in Months														
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to 156	156 to 168	168 to 180	180 - Ult
1991	1.512	13.036	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1992	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1993	2.398	1.000	1.000	1.031	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1994	2.492	1.000	1.000	0.985	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1995	1.058	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996	4.347	1.037	2.093	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997	4.237	1.000	0.985	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1998	17.905	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999	2.677	1.000	0.988	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000	4.087	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2001	1.215	0.993	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002	1.660	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003	2.931	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004	2.258	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005	2.258	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Simple Average of Middle 12 of Latest 14 (Non-contiguous, Average High Low)															
[1]	2.573	1.505	1.089	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Simple Average of Middle 3 of Latest 5 (Non-contiguous, Average High Low)															
[2]	2.283	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Volume Weighted Average of Latest 14 (Contiguous)															
[3]	2.632	1.135	1.180	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Volume Weighted Average of Latest 5 (Non-contiguous)															
[4]	2.150	0.999	0.997	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior Selected															
Prior Selected	2.600	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected															
Selected	2.600	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Dev To Ult															
Dev To Ult	2.600	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Accident Year	Evaluation Age in Months														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
1991	18	20	20	20	20	20	20	20	20	20	20	20	20	20	20
1992	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11
1993	10	10	10	10	11	11	11	11	11	11	11	11	11	11	11
1994	18	21	21	21	21	21	21	21	21	21	21	21	21	21	21
1995	25	26	26	26	26	26	26	26	26	26	26	26	26	26	26
1996	33	39	39	39	39	39	39	39	39	39	39	39	39	39	39
1997	28	38	38	38	38	38	38	38	38	38	38	38	38	38	38
1998	34	53	53	53	53	53	53	53	53	53	53	53	53	53	53
1999	42	50	50	50	50	50	50	50	50	50	50	50	50	50	50
2000	14	22	22	22	22	22	22	22	22	22	22	22	22	22	22
2001	35	38	38	38	38	38	38	38	38	38	38	38	38	38	38
2002	32	37	37	37	37	37	37	37	37	37	37	37	37	37	37
2003	47	48	48	48	48	48	48	48	48	48	48	48	48	48	48
2004	30	39	39	39	39	39	39	39	39	39	39	39	39	39	39
2005	28														

Accident Year	Evaluation Age in Months														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
1991	7	3	1	1	0	0	0	0	0	0	0	0	0	0	0
1992	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1993	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1994	7	2	2	2	0	0	0	0	0	0	0	0	0	0	0
1995	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1996	16	9	1	0	0	0	0	0	0	0	0	0	0	0	0
1997	9	3	2	0	0	0	0	0	0	0	0	0	0	0	0
1998	13	2	0	0	0	0	0	0	0	0	0	0	0	0	0
1999	13	3	2	0	0	0	0	0	0	0	0	0	0	0	0
2000	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2002	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2003	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	10	1	0	0	0	0	0	0	0	0	0	0	0	0	0
2005	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Statistical Data

WEST MICHIGAN RISK MANAGEMENT TRUST
Summary of Ultimate Losses by Year as of 06/30/05
Reconciliation of Years Exceeding the Loss Fund

Summary Exhibit 1

Occurrence Period	Ultimate Losses - Undiscounted				Total Ultimate Losses	Loss Fund	Ultimate Losses Subject to		Indicated Surplus
	GL	AL	APD	PROP			Loss Fund	Loss Fund	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
07/01/90 - 06/30/91	\$ 12,049	\$ 45,225	\$ 65,487	\$ 128,237	\$ 250,997	\$ 335,000	\$ 250,997	\$ 84,003	
07/01/91 - 06/30/92	143,836	106,248	17,389	66,238	333,711	333,663	333,663	0	
07/01/92 - 06/30/93	27,939	46,904	36,040	99,826	210,709	339,132	210,709	128,423	
07/01/93 - 06/30/94	37,163	247,940	55,869	194,821	535,793	405,000	405,000	0	
07/01/94 - 06/30/95	44,703	220,161	87,301	130,671	482,837	453,000	453,000	0	
07/01/95 - 06/30/96	6,776	31,435	98,291	442,475	578,977	450,000	450,000	0	
07/01/96 - 06/30/97	33,057	40,406	119,474	216,916	409,853	532,500	409,853	122,647	
07/01/97 - 06/30/98	31,306	33,781	92,507	440,356	597,950	650,000	597,950	52,050	
07/01/98 - 06/30/99	19,079	60,547	97,538	346,562	523,726	650,000	523,726	126,274	
07/01/99 - 06/30/00	295,000	58,468	157,991	149,685	661,145	725,000	661,145	63,855	
07/01/00 - 06/30/01	109,401	33,218	125,144	308,031	575,794	775,000	575,794	199,206	
07/01/01 - 06/30/02	190,000	34,272	124,953	293,112	642,337	775,000	642,337	132,663	
07/01/02 - 06/30/03	216,000	24,727	116,565	315,941	673,233	974,000	673,233	300,767	
07/01/03 - 06/30/04	561,000	200,000	122,835	156,194	1,040,030	1,000,000	1,000,000	0	
07/01/04 - 06/30/05	230,000	81,000	110,000	180,000	601,000	1,000,000	601,000	399,000	
Total	\$ 1,957,308	\$ 1,264,333	\$ 1,427,384	\$ 3,469,066	\$ 8,118,091	\$ 9,397,295	\$ 7,788,407	\$ 1,608,888	

- (2) From Exhibit A-2, Col (11)
(3) From Exhibit B-2, Col (11)
(4) From Exhibit C-2, Col (11)
(5) From Exhibit D-2, Col (11)
(6) = (2) + (3) + (4) + (5)
(7) From Arthur J. Gallagher & Co. of Michigan, Inc.
(8) The lesser of (6) and (7)
(9) = (7) - (8), set to a minimum of 0



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WEST MICHIGAN RISK MANAGEMENT TRUST
Summary of Ultimate Losses and Limited IBNR by Year Limited to the Loss Fund

Summary Exhibit 2

Occurrence Period	Ultimate Losses Subject to Loss Fund	Paid Loss Subject to Loss Fund	Indicated Reserve	Reported Losses	Limited Reported Losses	Limited IBNR
(1)	(2)	(3)	(4)	(5)	(6)	(7)
07/01/90 - 06/30/91	\$ 250,997	\$ 250,997	\$ 0	\$ 250,997	\$ 250,997	\$ 0
07/01/91 - 06/30/92	333,663	333,663	0	333,711	333,663	0
07/01/92 - 06/30/93	210,709	210,709	0	210,709	210,709	0
07/01/93 - 06/30/94	405,000	405,000	0	535,793	405,000	0
07/01/94 - 06/30/95	453,000	453,000	0	482,837	453,000	0
07/01/95 - 06/30/96	450,000	450,000	0	578,977	450,000	0
07/01/96 - 06/30/97	409,853	409,853	0	409,853	409,853	0
07/01/97 - 06/30/98	597,950	597,950	0	597,950	597,950	0
07/01/98 - 06/30/99	523,726	523,726	0	523,726	523,726	0
07/01/99 - 06/30/00	661,145	656,220	4,925	656,220	656,220	4,925
07/01/00 - 06/30/01	575,794	575,794	0	575,794	575,794	0
07/01/01 - 06/30/02	642,337	570,735	71,603	606,338	606,338	35,999
07/01/02 - 06/30/03	673,233	600,659	72,575	613,075	613,075	60,159
07/01/03 - 06/30/04	1,000,000	516,184	483,816	807,802	807,802	192,198
07/01/04 - 06/30/05	601,000	180,928	420,072	253,449	253,449	347,551
Total	\$ 7,788,407	\$ 6,735,417	\$ 1,052,989	\$ 7,437,230	\$ 7,147,576	\$ 640,831

- (2) From Summary Exhibit 1, Col (8)
(3) Sum of paid losses, limited to the Loss Fund by year
(4) = (2) - (3), but not less than zero
(5) From Exhibits 5, Column 4 (for all lines)
(6) The lesser of (2) and (5)
(7) = (2) - (6)

WEST MICHIGAN RISK MANAGEMENT TRUST

Exhibit A-5

General Liability

Loss & ALAE History as of 06/30/05

Occurrence Period	Trust - Limited to Specific Retention *			Trust - Unlimited		
	Paid Loss & ALAE	Outstanding Loss & ALAE	Reported Loss & ALAE	Paid Loss & ALAE	Outstanding Loss & ALAE	Reported Loss & ALAE
(1)	(2)	(3)	(4)	(5)	(6)	(7)
07/01/90 - 06/30/91	\$ 12,049	\$ 0	\$ 12,049	\$ 12,049	\$ 0	\$ 12,049
07/01/91 - 06/30/92	143,836	0	143,836	253,575	0	253,575
07/01/92 - 06/30/93	27,939	0	27,939	27,939	0	27,939
07/01/93 - 06/30/94	37,163	0	37,163	37,163	0	37,163
07/01/94 - 06/30/95	44,703	0	44,703	44,703	0	44,703
07/01/95 - 06/30/96	6,776	0	6,776	6,776	0	6,776
07/01/96 - 06/30/97	33,057	0	33,057	33,057	0	33,057
07/01/97 - 06/30/98	31,306	0	31,306	31,306	0	31,306
07/01/98 - 06/30/99	19,079	0	19,079	19,079	0	19,079
07/01/99 - 06/30/00	290,075	0	290,075	290,075	0	290,075
07/01/00 - 06/30/01	109,401	0	109,401	109,401	0	109,401
07/01/01 - 06/30/02	118,397	35,604	154,001	118,397	35,604	154,001
07/01/02 - 06/30/03	143,425	12,416	155,841	143,425	12,416	155,841
07/01/03 - 06/30/04	137,103	212,013	349,115	137,103	412,013	549,115
07/01/04 - 06/30/05	816	2,500	3,316	816	2,500	3,316
Total	\$ 1,155,125	\$ 262,532	\$ 1,417,657	\$ 1,264,864	\$ 462,532	\$ 1,727,397

(2) - (7) Based on data provided by West Michigan

* For 7/1/90 - 6/30/93: \$125,000

For 7/1/93 - 6/30/05: \$175,000

WEST MICHIGAN RISK MANAGEMENT TRUST

Exhibit A-6

General Liability

Summary of Historical Exposure Data

Occurrence Period	Number of Students			Total
	Elementary & Jr. High	High School	Adult Education	
(1)	(2)	(3)	(4)	(5)
07/01/90 - 06/30/91	26,885	11,686	1,933	40,504
07/01/91 - 06/30/92	29,014	12,326	4,023	45,363
07/01/92 - 06/30/93	38,060	13,894	5,238	57,192
07/01/93 - 06/30/94	41,266	16,436	4,839	62,541
07/01/94 - 06/30/95	43,385	17,447	6,779	67,611
07/01/95 - 06/30/96	47,110	18,283	6,706	72,099
07/01/96 - 06/30/97	48,346	19,074	6,706	74,126
07/01/97 - 06/30/98	50,246	21,803	397	72,446
07/01/98 - 06/30/99	51,386	21,697	1,077	74,160
07/01/99 - 06/30/00	51,643	22,471	734	74,848
07/01/00 - 06/30/01	51,508	23,432	894	75,834
07/01/01 - 06/30/02	53,118	25,021	980	79,119
07/01/02 - 06/30/03	54,728	26,610	1,065	82,403
07/01/03 - 06/30/04	59,617	27,510	1,350	88,477
07/01/04 - 06/30/05	60,130	27,024	1,173	88,327
07/01/05 - 06/30/06	63,514	24,920	938	89,372
Total	769,956	329,634	44,832	1,144,422
(6) 05 / 06 Exposure Level	63,514	24,920	938	
(7) Basic Limit Pure Premium	\$3.55	\$4.91	\$5.46	
(8) Weighted Average				3.95
(9) Increased Limit Factor to \$175,000				1.140
(10) Industry Loss Cost: \$175,000				\$4.50

(2) - (5) Provided by West Michigan

(7) Based on insurance industry data at \$100k limits

(8) = Line (7), weighted by Line (6)

(9) Based on Tillinghast analysis of industry data

(10) = (8) x (9)

WEST MICHIGAN RISK MANAGEMENT TRUST

Exhibit B-5

Automobile Liability

Loss & ALAE History as of 06/30/05

Occurrence Period	Trust - Limited to Specific Retention *			Trust - Unlimited		
	Paid Loss & ALAE	Outstanding Loss & ALAE	Reported Loss & ALAE	Paid Loss & ALAE	Outstanding Loss & ALAE	Reported Loss & ALAE
(1)	(2)	(3)	(4)	(5)	(6)	(7)
07/01/90 - 06/30/91	\$ 45,225	\$ 0	\$ 45,225	\$ 45,225	\$ 0	\$ 45,225
07/01/91 - 06/30/92	106,248	0	106,248	106,248	0	106,248
07/01/92 - 06/30/93	46,904	0	46,904	46,904	0	46,904
07/01/93 - 06/30/94	247,940	0	247,940	981,186	0	981,186
07/01/94 - 06/30/95	220,161	0	220,161	892,449	0	892,449
07/01/95 - 06/30/96	31,435	0	31,435	31,435	0	31,435
07/01/96 - 06/30/97	40,406	0	40,406	40,406	0	40,406
07/01/97 - 06/30/98	33,781	0	33,781	33,781	0	33,781
07/01/98 - 06/30/99	60,547	0	60,547	60,547	0	60,547
07/01/99 - 06/30/00	58,468	0	58,468	58,468	0	58,468
07/01/00 - 06/30/01	33,218	0	33,218	33,218	0	33,218
07/01/01 - 06/30/02	34,272	0	34,272	34,272	0	34,272
07/01/02 - 06/30/03	24,727	0	24,727	24,727	0	24,727
07/01/03 - 06/30/04	104,657	75,000	179,657	104,657	75,000	179,657
07/01/04 - 06/30/05	28,333	28,640	56,973	28,333	28,640	56,973
Total	\$ 1,116,322	\$ 103,640	\$ 1,219,962	\$ 2,521,856	\$ 103,640	\$ 2,625,496

(2) - (7) Based on data provided by West Michigan

* For 7/1/90 - 6/30/93: \$125,000

For 7/1/93 - 6/30/05: \$175,000



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WEST MICHIGAN RISK MANAGEMENT TRUST

Exhibit B-6

Automobile Liability

Summary of Historical Exposure Data

Occurrence Period (1)	Number of Vehicles					Total (7)
	Private Passenger (2)	Vans, Pickups (3)	Medium Trucks (4)	Heavy Trucks (5)	School Buses (6)	
07/01/90 - 06/30/91	37	74	50	7	383	551
07/01/91 - 06/30/92	40	81	54	8	385	568
07/01/92 - 06/30/93	54	95	73	8	466	696
07/01/93 - 06/30/94	59	91	82	9	541	782
07/01/94 - 06/30/95	74	94	83	10	560	821
07/01/95 - 06/30/96	76	189	18	3	647	933
07/01/96 - 06/30/97	56	182	20	6	672	936
07/01/97 - 06/30/98	49	201	11	5	715	981
07/01/98 - 06/30/99	48	189	15	8	741	1,001
07/01/99 - 06/30/00	51	198	17	8	761	1,035
07/01/00 - 06/30/01	34	206	26	31	773	1,070
07/01/01 - 06/30/02	36	214	30	32	798	1,110
07/01/02 - 06/30/03	38	221	33	32	823	1,147
07/01/03 - 06/30/04	33	254	27	34	886	1,234
07/01/04 - 06/30/05	23	229	28	3	816	1,099
07/01/05 - 06/30/06	28	239	24	8	794	1,093
Total	736	2,757	591	212	10,761	15,057
(8) 05 / 06 Exposure Level	28	239	24	8	794	
(9) \$175,000 Pure Premium	\$ 168	\$ 184	\$ 160	\$ 157	\$ 119	
(10) Weighted Average Pure Premium at \$175,000						\$ 136

(2) - (7) Provided by West Michigan

(9) Based on insurance industry data at \$100,000 limit of liability, adjusted to \$175,000 per occurrence limit

(10) = Line (9), weighted by Line (8)

WEST MICHIGAN RISK MANAGEMENT TRUST

Automobile Physical Damage

Exhibit C-5

Loss & ALAE History as of 06/30/05

Occurrence Period	Trust - Limited to Specific Retention *			Trust - Unlimited		
	Paid Loss & ALAE	Outstanding Loss & ALAE	Reported Loss & ALAE	Paid Loss & ALAE	Outstanding Loss & ALAE	Reported Loss & ALAE
(1)	(2)	(3)	(4)	(5)	(6)	(7)
07/01/90 - 06/30/91	\$ 65,487	\$ 0	\$ 65,487	\$ 250,191	\$ 0	\$ 250,191
07/01/91 - 06/30/92	17,389	0	17,389	17,389	0	17,389
07/01/92 - 06/30/93	36,040	0	36,040	36,040	0	36,040
07/01/93 - 06/30/94	55,869	0	55,869	55,869	0	55,869
07/01/94 - 06/30/95	87,301	0	87,301	100,663	0	100,663
07/01/95 - 06/30/96	98,291	0	98,291	163,608	0	163,608
07/01/96 - 06/30/97	119,474	0	119,474	119,474	0	119,474
07/01/97 - 06/30/98	92,507	0	92,507	92,507	0	92,507
07/01/98 - 06/30/99	97,538	0	97,538	97,538	0	97,538
07/01/99 - 06/30/00	157,991	0	157,991	157,991	0	157,991
07/01/00 - 06/30/01	125,144	0	125,144	125,144	0	125,144
07/01/01 - 06/30/02	124,953	0	124,953	124,953	0	124,953
07/01/02 - 06/30/03	116,565	0	116,565	116,565	0	116,565
07/01/03 - 06/30/04	122,835	0	122,835	122,835	0	122,835
07/01/04 - 06/30/05	86,091	15,514	101,605	86,091	15,514	101,605
Total	\$ 1,403,475	\$ 15,514	\$ 1,418,989	\$ 1,666,858	\$ 15,514	\$ 1,682,372

(2) - (7) Based on data provided by West Michigan

* For 7/1/90 - 6/30/93: \$125,000

For 7/1/93 - 6/30/05: \$175,000

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WEST MICHIGAN RISK MANAGEMENT TRUST

Exhibit C-6

Automobile Physical Damage

Summary of Historical Exposure Data

Occurrence Period	Number of Vehicles					Total
	Private Passenger	Vans, Pickups	Medium Trucks	Heavy Trucks	School Buses	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
07/01/90 - 06/30/91	37	74	50	7	383	551
07/01/91 - 06/30/92	40	81	54	8	385	568
07/01/92 - 06/30/93	54	95	73	8	466	696
07/01/93 - 06/30/94	59	91	82	9	541	782
07/01/94 - 06/30/95	74	94	83	10	560	821
07/01/95 - 06/30/96	76	189	18	3	647	933
07/01/96 - 06/30/97	56	182	20	6	672	936
07/01/97 - 06/30/98	49	201	11	5	715	981
07/01/98 - 06/30/99	48	189	15	8	741	1,001
07/01/99 - 06/30/00	51	198	17	8	761	1,035
07/01/00 - 06/30/01	34	206	26	31	773	1,070
07/01/01 - 06/30/02	36	214	30	32	798	1,110
07/01/02 - 06/30/03	38	221	33	32	823	1,147
07/01/03 - 06/30/04	33	254	27	34	886	1,234
07/01/04 - 06/30/05	23	229	28	3	816	1,099
07/01/05 - 06/30/06	28	239	24	8	794	1,093
Total	736	2,757	591	212	10,761	15,057

(2) - (7) Provided by West Michigan

WEST MICHIGAN RISK MANAGEMENT TRUST

Exhibit D-5

Property Coverage

Loss & ALAE History as of 06/30/05

Occurrence Period	Trust - Limited to Specific Retention *			Trust - Unlimited		
	Paid Loss & ALAE	Outstanding Loss & ALAE	Reported Loss & ALAE	Paid Loss & ALAE	Outstanding Loss & ALAE	Reported Loss & ALAE
(1)	(2)	(3)	(4)	(5)	(6)	(7)
07/01/90 - 06/30/91	\$ 128,237	\$ 0	\$ 128,237	\$ 543,553	\$ 0	\$ 543,553
07/01/91 - 06/30/92	66,238	0	66,238	66,238	0	66,238
07/01/92 - 06/30/93	99,826	0	99,826	99,826	0	99,826
07/01/93 - 06/30/94	194,821	0	194,821	194,821	0	194,821
07/01/94 - 06/30/95	130,671	0	130,671	130,671	0	130,671
07/01/95 - 06/30/96	442,475	0	442,475	1,212,832	0	1,212,832
07/01/96 - 06/30/97	216,916	0	216,916	216,916	0	216,916
07/01/97 - 06/30/98	440,356	0	440,356	533,080	0	533,080
07/01/98 - 06/30/99	346,562	0	346,562	346,562	0	346,562
07/01/99 - 06/30/00	149,685	0	149,685	149,685	0	149,685
07/01/00 - 06/30/01	308,031	0	308,031	308,031	0	308,031
07/01/01 - 06/30/02	293,112	0	293,112	293,112	0	293,112
07/01/02 - 06/30/03	315,941	0	315,941	925,979	0	925,979
07/01/03 - 06/30/04	151,589	4,605	156,194	151,589	4,605	156,194
07/01/04 - 06/30/05	65,689	25,867	91,556	65,689	25,867	91,556
Total	\$ 3,350,150	\$ 30,472	\$ 3,380,622	\$ 5,238,585	\$ 30,472	\$ 5,269,057

(2) - (7) Based on data provided by West Michigan

* For 7/1/90 - 6/30/93: \$125,000

For 7/1/93 - 6/30/05: \$175,000



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PERRIN**
TILLINGHAST

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WEST MICHIGAN RISK MANAGEMENT TRUST

Exhibit D-6

Property Coverage

Summary of Historical Exposure Data

<u>Occurrence Period</u> (1)	<u>Property Value (Millions)</u> (2)
07/01/90 - 06/30/91	\$ 448
07/01/91 - 06/30/92	480
07/01/92 - 06/30/93	626
07/01/93 - 06/30/94	711
07/01/94 - 06/30/95	792
07/01/95 - 06/30/96	932
07/01/96 - 06/30/97	1,007
07/01/97 - 06/30/98	1,110
07/01/98 - 06/30/99	1,360
07/01/99 - 06/30/00	1,381
07/01/00 - 06/30/01	1,421
07/01/01 - 06/30/02	1,458
07/01/02 - 06/30/03	1,764
07/01/03 - 06/30/04	1,850
07/01/04 - 06/30/05	1,904
07/01/05 - 06/30/06	2,273
Total	\$ 19,517

(2) Provided by West Michigan (05/06 includes Wayland)

Other Information

West Michigan Risk Management Trust

	July 1, 1991-1992	July 1, 1992-1993	July 1, 1993-1994	July 1, 1994-1995	July 1, 1995-1996	July 1, 1996-1997	July 1, 1997-1998
Students:							
High school students	12,326	13,894	16,436	17,447	18,283	19,074	21,803
Elementary students	29,014	38,060	41,266	43,385	47,110	48,346	50,246
Other	4,023	5,238	4,839	6,779	6,706	6,706	397
Total students	45,363	57,192	62,541	67,611	72,099	74,126	72,446
Teachers	2,537	3,233	3,432	3,429	3,775	3,986	4,048
Buses	385	466	541	560	647	672	715
Property values	\$ 479,682,272	\$ 626,178,817	\$ 710,500,359	\$ 792,206,683	\$ 932,294,365	\$ 1,007,303,336	\$ 1,110,435,146
Elementary schools	72	88	99	97	106	107	104
High schools	16	19	19	19	23	21	22
Number of districts	13	15	16	16	18	19	19
Premiums:							
Package	\$ 349,270	\$ 365,014	\$ 342,299	\$ 395,844	\$ 409,918	\$ 421,313	\$ 365,641
Excess property	110,750	121,405	142,814	143,501	159,313	154,870	123,484
Excess liability	132,917	166,832	169,413	193,852	126,245	135,383	107,602
Boiler and machine	25,141	30,119	35,551	42,788	47,798	53,365	48,840
Student accident	-	-	-	-	-	-	-
Foreign travel	-	-	-	-	-	-	-
School board legal	-	-	-	-	-	-	-
Crime bond	-	-	-	-	-	-	-
Claims management	48,176	52,652	55,105	64,510	66,031	69,165	72,486
Risk management fee	38,500	13,394	27,013	34,726	36,650	39,554	145,000
Loss fund	355,500	344,517	405,000	453,000	450,000	532,500	650,000
MCCA	-	-	-	102,928	88,806	69,597	13,734

Operating and Demographic Data

July 1, 1998-1999	July 1, 1999-2000	July 1, 2000-2001	July 1, 2001-2002	July 1, 2002-2003	July 1, 2003-2004	July 1, 2004-2005	% of Change Since 2004-2005	% of Change Since 1991-1992
21,697	22,471	23,432	25,326	26,210	27,510	24,920	5%	123%
51,386	51,643	51,508	54,576	54,728	59,617	57,184	9%	105%
1,077	734	894	1,191	1,465	1,350	7,268	(8%)	(66%)
74,160	74,848	75,834	81,093	82,403	88,477	89,372	7%	95%
4,098	4,141	4,222	4,679	5,272	5,272	5,649	7%	123%
741	761	773	808	886	886	794	(10%)	106%
\$ 1,359,513,765	\$ 1,380,760,517	\$ 1,421,195,720	\$ 1,524,131,084	\$ 1,764,047,641	\$ 1,838,133,521	\$ 1,874,415,563	2%	291%
103	98	98	103	105	98	102	4%	42%
21	24	24	25	31	25	29	16%	81%
19	19	19	21	23	23	24	4%	85%
\$ 320,000	\$ 289,000	\$ 289,000	\$ 393,539	\$ 484,895	\$ 545,909	\$ 562,909	3%	61%
123,000	123,000	128,817	176,020	396,131	467,977	486,655	4%	339%
94,700	93,106	93,160	141,571	187,623	251,300	295,027	17%	122%
48,840	48,840	48,659	55,165	68,811	74,829	75,832	1%	202%
-	-	-	183,869	239,490	238,185	255,633	7%	- %
-	-	-	-	24,179	26,703	-	(100%)	- %
-	-	-	120,491	158,852	269,909	300,000	11%	- %
-	-	-	-	1,150	1,150	1,213	5%	- %
83,217	87,771	71,553	96,168	84,067	88,673	92,597	4%	92%
149,350	153,830	161,500	171,400	196,500	202,395	215,907	7%	461%
650,000	700,000	775,000	775,000	974,000	1,000,000	1,012,692	1%	185%
-	6,171	5,992	59,842	79,138	136,673	156,123	14%	- %

West Michigan Risk Management Trust

Scope of Coverages

The major categories of insurance protection the West Michigan Risk Management Trust provides its members are listed as follows:

Property

Buildings
Contents
Mobile Equipment
EDP
Auto Physical Damage
Flood and Earthquake
Fine Arts
Inland Marine
Excess Property
Boiler and Machinery

Crime

Money and Securities
Commercial Blanket Bond
Depositors' Forgery
Money Order and Counterfeit Papers

Other

School Board Legal Liability
Student Accident

General Liability

Comprehensive General Liability
Employee Benefits Liability
Automobile Liability
Auto Medical Payments
Uninsured/Underinsured Motorist
Personal Insurance Protection
Personal Property Protection
Foreign Legal Liability

West Michigan Risk Management Trust

COMPARATIVE SCHEDULE OF EXCESS INSURANCE IN FORCE FOR THE FIFTEEN-YEAR PERIOD ENDED JUNE 30, 2005:

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Multi-peril:							
Premium	\$ 561,009	\$ 646,161	\$ 755,911	\$ 812,488	\$ 914,552	\$ 957,161	\$ 985,493
Occurrence Limit	125,000	125,000	125,000	175,000	175,000	175,000	175,000
Attachment Point	335,000	333,663	339,132	405,000	453,000	450,000	532,500
Aggregate Limit	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited

Excess Insurance Package

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$ 828,466	\$ 819,107	\$802,512	\$ 798,681	\$1,242,055	\$1,757,631	\$2,083,490	\$1,881,349
175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
650,000	650,000	725,000	775,000	775,000	974,000	1,000,000	1,012,692
Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited

West Michigan Risk Management Trust

2004-2005 Risk Management Gallagher Excess Insurance Package

Excess Property Placed to \$150,000,000 per occurrence Allianz \$20,000,000 per occurrence/Annual Aggregate Flood and Earthquake \$ 1,000,000 occurrence Selective Insurance Co.	Excess Liability \$ 5,000,000 optional – Princeton Excess Excess Liability \$ 3,000,000 per occurrence/ per District Princeton Excess	\$ 825,000 per occurrence Selective Insurance Company \$ 825,000 per occurrence Selective Insurance Company	\$ 175,000 Self-insured Retention Occurrence	\$ 1,000 Maintenance Deductible
Excess Property Placed to \$150,000,000 per occurrence Allianz \$20,000,000 per occurrence/Annual Aggregate Flood and Earthquake \$ 1,000,000 occurrence Selective Insurance Co.	Excess Liability \$ 5,000,000 optional – Princeton Excess Excess Liability \$ 3,000,000 per occurrence/ per District Princeton Excess	\$ 825,000 per occurrence Selective Insurance Company \$ 825,000 per occurrence Selective Insurance Company	\$ 175,000 Self-insured Retention Occurrence	\$ 1,000 Maintenance Deductible

Selective Insurance Company (A) Aggregate Loss Fund Protection Unlimited	Funded to \$1,000,000 West Michigan Risk Management Trust
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Property
Mobile Equipment
Auto Phys. Damage

General Liability
Employee Benefits
Liability

Automobile
Liability

Employee Dishonesty
Crime

Loss Fund

If the loss fund should be exhausted, the aggregate loss fund policy eliminates the SIR provision, and the program reverts back to a conventional type program.
 (A) With this program, there is an aggregate (stop-loss) insurance policy should we exhaust the loss fund. The aggregate loss fund coverage is provided to comply with the Michigan state law, which mandates a minimum of \$5,000,000 in excess coverage above the Loss Fund.
 (B) Employee dishonesty - \$100,000; money and securities in/out - \$25,000; depositors' forgery - \$25,000

West Michigan Risk Management Trust

Definitions

Claim

Insurer Operations. Ad demand by an insured or another party for payment for loss under an insurance contract or bond; "claim" is also used to refer to the actual or estimated amount of a loss.

Incurred Losses

Both paid and known reserved losses occurring within a specific period of time.

Loss

General. A reduction, decrease, or disappearance of value.

Property. The amount of a reduction in value of an insured property, caused by an insured peril.

Casualty. The payment of a claim on behalf of an insured.

Loss Adjustment Expense

Insurer Operations. The expense involved in settling a loss, excluding the actual value of the loss.

Allocated Expenses

- legal fees
- professional photographs
- medical records
- experts' rehabilitation costs
- accident reconstruction
- architects and contractors
- engineers
- police, fire, coroner, weather, or other such reports
- property damage appraisals
- extraordinary costs for witness statements
- official documents and transcripts
- sub rosa investigations
- medical examinations
- extraordinary travel made at client's request
- court reports
- fees for service of process
- pre- and post-judgment interest paid
- chemists
- collection cost payable to third parties on subrogation
- any other similar cost, fee, or expense reasonably chargeable to the investigation, negotiation, settlement, or defense of a claim or loss that must have the explicit prior approval of the client
- managed care